SEC Number 37535
File Number

ATN HOLDINGS, INC.

(Company)

9th Floor, Summit One Tower,
530 Shaw Blvd., Mandaluyong City

(Address)

717-05-23

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC Form 17-A

(Form Type)

Amendment Designation (if applicable)

March 31, 2019

(Period Ended Date)

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **March 31, 2019**

2. SEC Identification Number: **37535** 3. BIR Tax Identification No. **005-056-869**

4. Exact name of registrant as specified in its charter:
ATN Holdings, Inc.

5. **Mandaluyong, Philippines**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **9/F Summit One Tower, 530 Shaw Blvd., Mandaluyong City** **1550**
Address of principal office Postal Code

8. **(632) 717-0523**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common A	**3,700,000,000**
Common B	**800,000,000**
TOTAL	**4,500,000,000**

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [x] **No [ ]**

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [X] **No [ ]**

(b) has been subject to such filing requirements for the past 90 days.

Yes [X] **No [ ]**

13. Aggregate market value of the voting stock held by non-affiliate of the registrant
P1,999,131,135

PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(1) Business Development
ATN Holdings, Inc. (ATN) is holding company is mainly engaged in real estate, land development, energy and health care services. On March 14, 1996, The Company's change of par from One Centavo (P0.01) per share to One Peso (P1.00) per share was subsequently approved by the SEC in November, 1996.

On August 29, 2008 the Securities and Exchange Commission approved the increase in capital stock fromP200 million to P1.2 billion. The capital consisted of 720,0000 class "A" shares and 480,000 class "B" shares with a par value of P1 each. Out of the P1 billion capital increase, P250 million was subscribed and that P220 million was paid through the deposit for future subscription.

On March 27, 2015, the Securities and Exchange Commission approved the change in par value of ATN Holdings Shares from P1.00 per share to P0.10 per Class "A" and Class "B" share .

On June 30, 2016 the SEC approved the amendment under Section 7 of the articles of incorporation. The new capital denomination resulted into the following:

	Authorized Capital	Subscribed	Paid Up
Common:			
Class A	4,200,000,000	3,700,000,000	370,000,000
Class B	2,800,000,000	800,000,000	80,000,000
Preferred	5,000,000,000	-	-
Total	12,000,000,000	4,500,000,000	450,000,000

On November 10, 2016, the Company's article of incorporation was amended extending its corporate life for another fifty (50) years from February 12, 2019. The amendment was approved by the SEC on November 21, 2016.

ATN Holdings invest in real properties and stocks. Its investments in real properties include several units of office condominium at Summit One Tower located at 530 Shaw Boulevard, Mandaluyong City. Summit One Tower is a 48-storey building. Units of Summit One Tower are office condominium spaces ready for occupancy with its own separate 6-level parking building and 2 basement parking levels. The units are for sale or leased through either direct sales or referrals from independent brokers.

ATN's subsidiaries are Palladian Land Development Inc. (PLDI), ATN Philippines Solar Energy Group, Inc.(ATN Solar), Advanced Home Concept Development Corp. (AHCDC) and Managed Care Phil., Inc. (MCPI).

Palladian Land Development Inc. is the developer and major owner of the 48 storey Summit One Tower and an adjacent 6 storey parking building, located at 530 Shaw Boulevard, Mandaluyong City, a subdivided residential land in Pasig City and the owner of 1.3 hectare commercial property located in San Fernando, Pampanga. The 1.3 hectare Pampanga property contains a 3 storey commercial building with usable area of 3,000 square meters. PLDI's main sources of revenue include sale and rent of condominium units and residential land.

Advanced Home Concept Development Corp. (AHCDC) is a corporation engaged in developing residential properties. AHCDC is a developer of various properties in Pasig City. The main source of revenues is rent income and sale of residential land.

Managed Care Phil. Inc. (MCPI) is a corporation engaged in the healthcare industry with investments in outpatient clinics. The company established an ambulatory surgical center at the ground floor of the Annex Building of Summit One under the umbrella of its subsidiary MCPI.

ATN Philippines Solar Energy Group Inc., the project implementing entity of ATN Group for energy business, is pursuing up a 30 MW Solar PV Project. It will be situated in a 254-hectare property of parent company ATN Holdings, Inc. in Rodriguez (Montalban), Rizal. The site is less than 10 kilometers away from business districts in Metro Manila with a population of 10 million people.

The solar project is designed to have nameplate capacity of 30 MW, with output to be distributed through Manila Electric Company (Meralco) franchise distribution area via a 34.5 KV transmission line connected to the Diliman, Novaliches and Parang circuits.

ATN Solar embarked on a rock crusher plant project to flatten the solar project area. The recovery of rocks from the solar site will take advantage of the timely business opportunity created by the construction of infrastructure projects under the Build, Build, Build Program of the Duterte administration, which require large volume of rock aggregates. The rock crusher plant is operational in the second quarter of 2019. The rock quarry inside the 254 hectares titled property in the name of subsidiary Palladian Land Development, Inc. 100% subsidiary of ATN Holdings, and the rock crusher plant are expected to contribute annual revenues exceeding P 2 Billion

(2) Business of Company

(a) Description of Company

(i) As a holding company, ATN's main sources of income are derived from subsidiaries' sale and rent of real estate assets, healthcare and medical fee services and dividend income from its stock investments.

The company's investment in stocks in Transpacific Broadband Group International, Inc. can be withdrawn or disposed of without any restrictions.

(ii) The company's business activities serve mainly the Philippine market.

(iii) Given the nature of corporate business of a holding company, there is no product or services to be distributed by ATN Holdings.

(iv) There is no new product or service.

(v) Major competitors of ATN subsidiaries in real estate business are debt–saddled giants. Since the corporation enjoys low level of debts, it continues to effectively compete against rival firms. The low level of corporate debt gives ATN the competitive edge of a longer time frame with which real estate assets can be sold at higher prices. The company offers discounts to cash buyers of office condominium and residential units of Palladian Land Development Inc. and Advanced Home Concept Corporation. Major geographic selling focus for ATN real estate sales is primarily in Mandaluyong City, and Pasig City.

(vi) There is no major raw material supply contract that the company needs to procure for the next twelve months. The office condominium and residential units are ready for occupancy, interior construction outfitting, and finishing materials are carried by many hardware suppliers.

(vii) The company has no major customer that accounts for more than 10% of revenues.

(viii) In order to augment working capital requirements the company and its subsidiaries had receivables and payables to related parties and stockholders as of March 31, 2019 as properly disclosed in Note 25 of the Consolidated Financial Statements.

(ix) The company has no patent, trademarks, licenses, franchise, concessions, royalty agreements or labor contracts.

(x) The principal products do not need government approval and there is no probable government regulation that will affect the business of the company. The company is not subject to environmental laws since its subsidiaries do not generate hazardous waste.

(xi) Existing government regulations have no significant effect on the business of ATN Holdings.

(xii) The company has no research and development.

(xiii) The company does not generate hazardous wastes or emissions; hence it has no foreseen costs of compliance to environmental laws.

(xiv) As of March 31, 2019 the group of companies has 12 officers and close to hundreds of employees deployed in operations and in administrative functions of subsidiaries. The employees have no union and no Collective Bargaining Agreement. The salaries and benefits of the employees are shared with other operating affiliates and computed based on the average number of hours worked.

Item 2 - Properties

The Company and its subsidiaries are the owners of (a) selected units and floors of Summit One Tower at 530 Shaw -Boulevard, Mandaluyong City, (b) Palladian project in Pasig City, (c) Lincoln Plaza in San Fernando, Pampanga and (d) land for development in Rodriguez, Rizal.

Due to its high inventory of landholdings, the company does not intend to acquire or purchase any real estate or major equipment in the next twelve months.

Item 3 - Legal Proceedings

The Company is not involved in any litigation incidental to the conduct of its business. If there is any claim against the company, the Company believes that the cases against it have no legal basis and that there is no pending litigation that will have a material or adverse effect on its financial position or operations.

Item 4 - Submission of Matters to a Vote of Security Holders

There was no meeting held during the 4th quarter of fiscal year ending March 31, 2019.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 - Market Price for Registrant's Common Equity and Related Stockholder Matters

(1) Market Information

The Company's common equity is publicly listed and traded on the Philippine Stock Exchange.

ATN High and Low Sales Prices per Quarter for the Last Two Fiscal Years:

Class A	Apr 1, 2017 to Mar. 31, 2018		Apr 1, 2018 to Mar. 31, 2019	
	High	Low	High	Low
Qtr. 1	.35	.32	.62	.61
Qtr. 2	.37	.30	1.21	1.06
Qtr. 3	.47	.35	1.38	1.33
Qtr. 4	.72	.54	1.49	1.44

Class B	Apr 1, 2017 to Mar. 31, 2018		Apr 1, 2018 to Mar. 31, 2019	
	High	Low	High	Low
Qtr. 1	.56	.34	.66	.63
Qtr. 2	.36	.30	1.30	1.20
Qtr. 3	.49	.36	1.39	1.37
Qtr. 4	.75	.46	1.47	1.45

(2) Holders
As of June 30, 2019, the company had 219 holders of Class "A" shares and 32 Class "B" shares. The price information as of the latest practicable trading date, July 16, 2019 has a high and low market price for Class A shares of P1.31 and P1.28, and P1.33 and P1.30 for Class B shares respectively.

The top 20 stockholders as of June 30, 2019 are as follows:

	Class "A" Stockholders	No of Shares Held	% of Total Shares Outstanding	Class "A" Stockholders	No of Shares Held	% of Total Shares Outstanding
1	PCD NOMINEE CORP	880,094,430.00	19.56%	PCD NOMINEE CORP	556,617,229.00	12.37%
2	NG, ARSENIO T.	2,763,541,260.00	61.41%	PCD NOMINEE CORP	241,437,501.00	5.37%
3	NG, SUSANA	20,000,000.00	0.44%	CHOA, BONIFACIO N.	1,000,000.00	0.02%
4	NG, HILARIO T.	3,501,000.00	0.08%	YU TING GUAN	500,000.00	0.01%
5	UNIWELL SECURITIES, INC.	2,200,000.00	0.05%	CRISOSTOMO, JOSE MAF	100,000.00	0.00%
6	NG, ARDI BRADLEY	2,000,000.00	0.04%	ANSALDO, GODINEZ & CO	43,950.00	0.00%
7	NG, MARK TIMOTHY	1,750,000.00	0.04%	ANG, MANUEL	40,000.00	0.00%
8	NG, MATTHEW HILARY	1,750,000.00	0.04%	ATC SECURITIES, INC.	38,000.00	0.00%
9	DAVID GO SECURITIES CORP.	1,510,000.00	0.03%	7K CORPORATION	35,020.00	0.00%
10	NG, TIFFANY ANNE	1,500,000.00	0.03%	CUALOPING SECURITIES	30,000.00	0.00%
11	TY, ANITA	1,500,000.00	0.03%	MAJOR LORD DESMOND	22,500.00	0.00%
12	TRENDLINE SECURITIES, INC.	1,040,000.00	0.02%	BPI SECURITIES CORPOR/	20,000.00	0.00%
13	MERCANTILE SECURITIES COR	1,020,000.00	0.02%	MINA, MARIO	20,000.00	0.00%
14	KHO, DAVID L.	1,000,000.00	0.02%	I.B. GIMENEZ SECURITIES,	13,000.00	0.00%
15	CHOA, BONIFACIO	1,000,000.00	0.02%	ONG GIOK KHENG	10,000.00	0.00%
16	SI, HYLAND	1,000,000.00	0.02%	TANSENGCO & CO., INC.	10,000.00	0.00%
17	PACIFIC VULCAP COR.	997,000.00	0.02%	VILLANUEVA, JAIME	10,000.00	0.00%
18	CITISECURITIES, INC.	500,000.00	0.01%	VILLANUEVA, PATROCINI	10,000.00	0.00%
19	TAN, NESTOR	500,000.00	0.01%	GARCIA, KAGITINGAN FL	10,000.00	0.00%
20	F. YAP SECURITIES, INC.	450,000.00	0.01%	BARCELON, ROXAS SECI	10,000.00	0.00%

(3) Dividends
There was no cash dividend declared for the last three fiscal years and there were no present or future restrictions that limit the ability to pay dividends on common equity.

(4) Recent Sales of Unregistered Securities
The Company has not sold any securities within the past three years that were not registered under the RSA.

Item 6 - Management's Discussion and Analysis or Plan of Operation

(1) Plan of operation
The company plans to continue in the manner it did last year. The company's proceeds from sale/rental of its office and residential condominium units and service income from healthcare clinics are sufficient to satisfy its cash requirements for the next twelve months. It will continue focus on its existing principal activities and has no plan to engage in product research and development or purchase or sell any plant and significant equipment. The Company values its human resources and it has no plan to decrease the number of its employees.

(2) Management's Discussion and Analysis of Financial Condition and Results of Operation

FY 2019

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2018 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY 2019	FY 2018	2018	2017	2018	2017	2018	2017
Current Ratio	0.84	0.65	0.54	0.56	0.01	0.01	35.53	4.97
Debt to Equity Ratio	0.65	0.47	0.43	0.46	3.1	-2.84	-114.67	3.49
Asset to Equity Ratio	1.65	1.47	1.43	1.46	4.1	-1.84	-113.67	4.49
Interest Rate Coverage Ratio	-8.06	333.59	258.64	-1.55	-	-	-	-
Gross Profit Margin	55%	53%	195%	89.60%	-	-	-	-1.07%
Net Income to Sales Ratio	-69%	66%	66.70%	-11.00%	-	-	-	-236.10%
Net Income (loss)	(11,740,626)	308,276,593	286,009,579	(830,743)	11,337,944	(84,276)	(4,174,764)	(4,748,681)

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges & the ability of the company to declare dividends for stockholders.

Total assets increased from P3.125 billion to P3.488 billion as of FY March 31, 2019. The significant movements in assets were as follows:

(1) Increase in cash from P12.620 million to P17,211 million.
(2) Full payment of trade receivables of P305 thousand.
(3) Increase in other current assets from P3.997 million to P5.593 million.
(4) Decrease in non-current assets held for sale from P42,100 million to P18,477 million.
(5) Increase in investment in associates from P323 million to P678 million.
(6) Increase in investment properties from P2.681 billion to 2.725 billion,
(6) Decrease in property and equipment from P19.171 million to P16.184 million.
(7) Decrease in intangible assets from P6.850 million to P4 million.
(8) Full payment of advances to related parties of P14.748 million.

Current liabilities of the company decreased from P90.640 million to P49.280 million as of FY March 2019. The net decrease is due to the following:

(1) Increase in accounts payable and accrued expenses from P4.085 million to P4.477 million.
(2) Decrease in bank loans - current from P43.102 million to P22.857 million due to reclassification from current to non-current liability.
(3) Decrease in liability portion of non-current assets held for sale from P43.452 million to P21.945 million.

Noncurrent liabilities increased from P903.979 million to P1.319 billion as of FY March 31, 2019. The net increase is due to the following:

(1) Increase in deposits from P5.129 to P21,152,981 million.
(2) Increase in subscription payable from P80.195 million to P86.981 million.
(3) Increase in due to related parties from P103 million to P493 million.
(4) Increase in pension liability from P573 thousand to P655 thousand.

The company's equity almost remain the same from P2.131 billion in FY March 31, 2018 to P2.119 billion in FY March 31, 2019.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

There is no known trend, events or uncertainties that transpired or that is reasonably expected to have a material favorable or unfavorable impact on net sales or revenue. The company's real estate sales and rentals are dependent on the health of Philippine economy's growth.

FY 2018

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2018 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated		Palladian land		Advanced Home		Managed Care	
	FY 2018	FY 2017	2017	2016	2017	2016	2017	2016
Current Ratio	0.651	1.262	102.6	9.68	-	-	4.97	3.15
Debt to Equity Ratio	0.0467	0.485	0.46	0.45	-2.84	-2.87	3.49	1.91
Asset to Equity Ratio	1.467	1.485	1.46	1.45	-1.84	-1.87	4.49	2.91
Interest Rate Coverage Ratio	333	1.97	-1.55	-1.28	-	-	-	-
Gross Profit Margin	53.49%	44.97%	89.60%	87.70%	-	-	-107%	6.67%
Net Income to Sales Ratio	66.17%	11.32%	-11.20%	-5.70%	-	-	-236.10%	-23.70%
Net Income (Loss)	308,276,593	3,103,612	(830,743)	(450,276)	(84,276)	(114,243)	(4,748,681)	(1,827,156)

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges & the ability of the company to declare dividends for stockholders.

Total assets increased from P2.705 billion to P3.126 billion as of FY March 31, 2018. The significant movements in assets were as follows:

(1) Decrease in trade receivables from P989 thousand to P305 thousand.
(2) Real estate inventory of P4.485 million was moved to investment property.
(3) Increase in other current assets from P2.618 million to P3.997 million.
(4) Increase in available-for-sale securities from P22.201 million to P22.986 million.
(5) Decrease in investment in associates from P329.920 million to P323.180 million.
(6) Increase in investment property from P2.231 billion to 2.681 billion,
(7) Decrease in property and equipment from P22.366 million to P19.171 million.
(8) Decrease in intangible assets from P6.700 million to P5.850 million.
(9) Decrease in due from related parties from P30.212 million to P14.748 million.

Current liability of the company increased from P49.594 million to P90.640 million as of FY March 2018. The net increase is due to the following:

(1) Decrease in accounts payable and accrued expenses from P4.641 million to P4.085 million.
(2) Increase in bank loans - current from P3.900 million to P43.102 million due to availment of loans and reclassification from current to non-current liability.

Noncurrent liabilities increased from P833.792 million to P903.976 million as of FY March 31, 2018. The net increase is due to the following:

(1) Decrease in deposits from P5.628 million to P5.129 million.
(2) Decrease in subscription payable from P156.943 million to P80.195 million.
(3) Increase in due to related parties from P67.422 million to P103.376 million.
(4) Decrease in pension liability from P703 thousand to P574 thousand.
(5) Increase in deferred tax liabilities from P580.891 million to P714.704 million.

The company's equity increased from P1.822 billion in FY March 31, 2017 to P2.131 billion in FY March 31, 2018 due to:

(1) Decrease in unrealized gain on available-for-sale financial assets from P2.204 million to P1.424 million.
(2) Retained earnings increased from P1.352 billion to P1.660 billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

There is no known trend, events or uncertainties that transpired or that is reasonably expected to have a material favorable or unfavorable impact on net sales or revenue. The company's real estate sales and rentals are dependent on the health of Philippine economy's growth.

FY 2017

Financial and Operating Highlights

The following table shows the top five (5) important financial indicators of the company during the fiscal years ending March 31, 2017 and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from available-for-sale financial assets and real estate business units.

	ATN Holdings (Consolidated)		Palladian Land		Advanced Home		Managed Care	
	FY2017	FY2016	CY2016	CY2015	CY2016	CY2015	CY2016	CY2015
Current Ratio	1.262	.485	13.03	55.43	-	-	5.92	9.16
Debt to Equity Ratio	0.030	0.120	0.45	0.43	-2.87	-2.92	1.71	1.87
Gross Profit Margin	45%	56%	87.7%	88.9%	N/A	N/A	7%	28%
Net Income to Sales Ratio	44.97%	31.6%	-5.7%	2.7%	N/A	N/A	-10.1%	22%
Net Income (Loss) in Pesos	P3,103,612	P9,459,075	-P450,276	P222,221	-P114,243	-P86,002	-P782,585	P2,039,891

The following are important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital.
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Gross Profit margin	Calculate ratio expressed in percentage of the gross margin into revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
Net Income to sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges & the ability of the company to declare dividends for stockholders.

Total assets almost remain the same from P2.561 billion to P2.705 billion as of FY March 31, 2017. The significant movements in assets were as follows:
(1) Increase of P6.6 million in cash from P5.9 million to P12.5 million.
(2) Decrease in trade receivable from P1.8 million to P0.89 million.
(3) Increase in other current assets from P1.67 million to P2.6 million.
(4) Decrease in available-for-sale securities from P42 million to P22.2 million.
(5) Increase in investment in associates from P169.797 million to P329.920 million.
(6) Decrease in property and equipment from P25.7million to P22.3 million.
(7) Decrease in intangible assets from P7.550 million to P6.700 million.
(8) Increase in advances to related party from P27.535 million to P30.212 million.

Current liability of the company decreased from P28.648 million to P8.541 million as of FY March 2017. The net increase is due to the following:
(1) Increase in accounts payable and accrued expenses from P3.389 million to P4.641 million.
(2) Decrease in bank loans from P25.259 million to P3.900 million due to reclassification from current to non-current liability.

Noncurrent liabilities increased from P703 million to P8.74 million as of FY March 31, 2017. The net increase is due to the following:
(1) Reclassification of liability portion of non-current assets held for sale of P41.052 million from deposit account.
2) Decrease in deposits from P43.893 million to P5.628 million due to reclassification to liability portion of non-current assets held for sale..
(3) Increase in subscription payable from P36.543 to P156.943 million.
(4) Increase in advances from related parties from P41.410 million to P67.422 million.

The company's equity remain the same from P1.829 billion in FY March 31, 2016 to P1.822 billion in FY March 31, 2017 due to:
(1) Decrease in unrealized gain on available-for-sale financial assets from P8.350 million to (P2,204) million.
(2) Retained earnings increased from P1.349 million to P1.352 billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

The real estate inventory of the holding company, which forms the bulk of its subsidiary assets, are assigned higher values due to the fair value valuation of the investment properties.

Expansion Plans
ATN intends to pursue opportunities in renewable power generation, focusing on advanced solar photo-voltaic technology. On May 12, 2011 the Department of Energy issued Service Contract No. 2011-05-002 to ATN Philippines Solar Energy Group, Inc. for a 30 MW solar PV power generation project to be located in the 320-hectare property of Palladian Land, Inc.

Business expansion towards construction materials is expected to commence commercial operation in the third quarter of 2018. The ATN rock quarry and rock crusher operations are expected to increase annual revenue by P 2 Billion.

The company does not expect an event that will trigger default on direct and contingent liabilities since foreign currency denominated short-term borrowings are often hedged, and there is no off-balance sheet transaction, arrangement or obligation. Given that the real estate business is still recovering from a long slump, there could not be a trend, events, or uncertainties that will have material impact on company revenues.

Item 7 - Financial Information

Audited financial statements are attached.
Item 8 - Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no events in the past wherein R. R. TAN & ASSOCIATES, CPAs, and the company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

R. R. TAN & ASSOCIATES, CPAs has acted as the Company's external auditor since 2009 and has complied with the five-year rotation requirement under SRC Rule 68(3)(b)(iv) (Qualifications and reports of Independent Auditors). Mr. Chester Nimitz F. Salvador the current audit partner for by R. R. TAN & ASSOCIATES, CPAs audited the FY March 31, 2019, 2018 and 2017 while Mr. Domingo A. Daza Jr., has served as such since 2013.

Information on Independent Accountant and Related Matter

(1) External Audit Fees and Services

R. R. TAN & ASSOCIATES, CPAs, the external auditor of the company, audited the fiscal years March 31, 2019, 2018 and 2016 financial statements with the contract amount of P373,400 in 2019, P351,000 for 2018 and 2017 inclusive of VAT and out of pocket expenses.

R. R. TAN & ASSOCIATES, CPAs audited the Company's balance sheet and the related statements of income, changes in stockholders' equity and cash flows for the year then ending and provide an audit report on the financial statements referred to above in accordance with Philippine Financial Reporting Standards. As part of the engagement, R. R. TAN & ASSOCIATES, CPAs assisted in the preparation of the Company's annual income tax returns for filing with the Bureau of Internal Revenue.

There were no tax fees paid for the last two fiscal years for professional services rendered on tax accounting, compliance, advice, planning and any other form of tax services. There were no other fees paid by the company for product and other services provided by the auditor.

The audit committee has no policies and procedures of the above services.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 - Directors, Executive Officers, Promoters and Control Persons

The names of the incumbent Directors and Executive officers of the Company and their respective ages and citizenship, current positions held, period of service and business experience during the past five years as required under Sec. 38 of the Code and SRC Rule 38.1 are as follows:

ARSENIO T. NG – Chairman, President and CEO
Age 60, Filipino
Period Served – 1995 to present
Term of office as director – one year

Mr. Arsenio Ng holds a degree in Business Administration, Major in Finance from the California State University Stanislaus (CSUS), and took his MBA degree at California State University, Stanislaus and the University of California at Los Angeles (UCLA). He also took special studies in political science at the US Congress in Washington, D.C. Mr. Ng started as a Senior Project Officer for the National Development Company (1982-1983). In 1984, he joined China Banking Corporation as a Trust Investment Officer and rose up Vice President and Area Head in 1992. In 1994, he became the President and CEO of the Energy Corporation. He is also a Director and Treasurer of Hambrecht and Quist Philippine Ventures II, a private equity fund managed by Hambrecht and Quist, Philippines Inc. He is the Chairman of Transpacific Broadcast Group Int'l, Inc. (TBGI), a technology business for commercial telecommunications and television broadcasting operations and Vice Chairman of CBCP World Corporation a broadband internet service provider and the information technology arm of the Catholic Bishop Conference of the Philippines (CBCP). He is the Chief Executive Officer of Managed Care Phil's. Inc., Palladian Land Development Inc., and Advanced Home Concept Dev. Corp.

HILARIO NG – Director
Age 59, Filipino Citizen
Period Served - 1995 to present
Term of office as director - one year

Architect Hilario Ng is the President of his own architectural firm, Palladian International, Inc. A member of both the Philippine and American architectural boards, Architect Ng placed third overall in the Philippine architectural board exams. He has twenty (20) years of experience in his chosen field, garnering several US design awards. His major projects center on design of shopping malls for the GAISANO Group.

SANTOS L. CEJOCO - Director
Age 66, Filipino Citizen
Period Served - 2002 to present
Term of office as director - one year

Formerly Vice President of Philippine Associated Smelting and Refining Corporation and Project Manager in National Development Company. Finished his Master in Business Management at the Asian Institute of Management.

HYLAND SI - Independent Director
Age 61, Filipino
Period Served - 1995 to present
Term of office as director - one year

Engineer Hyland Si is the Executive Vice President of Torque Builders, Inc., a major supplier and contractor of local electrical construction works for dozens of high-rise office buildings and manufacturing plants.

CHEE CHOONG CHEAH - Independent Director
Age 67, Malayan
Period Served - 1995 to present
Term of office as director - one year

Mr. Chee Choong Cheah is the director of a Malaysian firm, Philma Industrial PTE Ltd., with business concerns in Singapore, Indonesia and China.

BONIFACIO CHOA - Independent Director
Age 76, Filipino Citizen
Period Served - 1995 to present
Term of office as director - one year

Mr. Bonifacio Choa is the President of Bon Mar Realty, and also President of two technology firm, Future Logic and Omron Philippines.

MANUEL R. MOJE
Age 84, Filipino Citizen
Period Served - 2010
Term of office as director – one year

Mr. Moje has vast experience in private business enterprise, banking, and finance, both in major government and private financial institutions, and in socio–civic organizations. Mr. Moje's current positions are Chairman of Unihomes Development Corp., Director of Abacus Consolidated Resources and Holdings, Inc., Director of Philippine Regional Investment and Development Corporation, and President of Space Line Remittance Center (UAE). Mr. Moje finished his Bachelor of Laws at the University of the Philippines in 1963. He is a retired member of the Armed Forces of the Philippines with the rank of Colonel.

PAUL SARIA – Asst. Corp. Sec.
Age 49, Filipino Citizen
Period Served - 2002 to present
Term of office as director - one year

Arch. Saria is the Vice President for operations of Palladian Land Development Inc., Advanced Home Concept Development Corp., Transpacific, and comptroller of CBCP World Corporation.

SOPHIE MILES NG
Age 30, Filipino Citizen
Period Served – Sept. 3, 2018 to Present
Term of office as director – one year

Ms. Sophie M.L. Ng is a graduate of Ateneo De Manila University in year 2011. She holds a degree in Bachelor of Science in Business Management with Minor in Enterprise Development. From 2012 to present, Ms. Ng is currently the Investor Relations Officer of ATN Holdings, Inc. From 2014 to present, she is the Vice President for Business Development of Palladian Land Development, Inc. and Advanced Home Concept Development Corporation. From 2016 to present, Ms. Ng also the Head of Procurement for Electrification of ATN Philippines Solar Energy Group Inc. Sophie Miles L. Ng is the daughter of the Chairman Arsenio T. Ng

TWINIE KAYE NG
Age 30, Filipino Citizen
Period Served – Nov. 8, 2019 to Present

Ms. Twinie Kaye L. Ng is a graduate of Ateneo De Manila University in year 2011. She holds a degree in Bachelor of Science in Business Management, major in Communications Technology Management and minor in Enterprise Development. On June 2011, Ms. Ng was under the tutelage of Bank of Singapore to stay attuned with the Equity Market. She is currently the Investor Relations Officer of Transpacific Broadband Group, Inc. and Property Management Officer of Palladian Land Development, Inc. Twinie Kaye L. Ng is the daughter of the Chairman Arsenio T. Ng.

ATTY. RENATO E. TAGUIAM – Corp. Sec
Age 73, Filipino Citizen
Period Served – 2012 to present
Term of office as Corp. Sec. – one year

Atty. Taguiam is a graduate of Bachelor of Laws at the University of the Philippines in 1970. He was admitted to the Philippine Bar on March 12, 1971. From 1994 to present, he actively handles litigation cases whether civil, criminal or administrative, before Philippine courts and administrative agencies with areas of specialization including remedial account management, estate and family relations law, land registration law, labor relations law and corporate law under Orbos, Caburosora, Taguiam Law Office. His past positions include the following: From 1988 to 1993, he was an Associate of Linsangan Law Office. He was a Trial Lawyer at Chargekard Corporation in 1984 to 1987. He served as Partner at Montilla Law Office and Gonzales Rivera & Taguiam from 1982 to 1984 and 1975 to 1981, respectively. Atty. Taguiam also worked with Kimberly-Clark Philippines, Inc. from 1981 to 1982 and Utilities Developments Corporation from 1973 to 1974 as legal officer. He served as assistant attorney of Salcedo Del Rosario Bito Misa & Lozada and Agrava & Agrava in 1971.

The aforementioned directors and officers have served the fiscal year ended March 31, 2018, and shall continue to serve until their successors are duly elected at the Company's next annual stockholders' meeting.

There are no other significant employees.

Family Relationships
The Chairman, Arsenio T. Ng and Arch. Hilario T. Ng are brothers. Sophie Miles Ng and Twinie Kaye Ng are daughters of Arsenio T. Ng.

Involvement in Certain Legal Proceedings
The company is not aware of or not involved in any legal proceedings, with material adverse consequence, of the nature required to be disclosed under Part IV of Annex "C" of the SRC with respect to directors and executive officers.

Item 10 - Executive Compensation

The CEO, to signify his solidarity with the Company's stakeholders waived his rights to the compensation due a CEO, as set by the Board of Directors for the fiscal year, thereby taking on the same risks and rewards as the common shareholders. Aggregate compensation in last 2 fiscal years paid to other officers of the Company's as a group, are as follows:

NAME	YEAR	SALARY	BONUS	OTHERS	TOTAL
Total Compensation of the Other officers and management team	2019 estimated	P 1.70 Million	0	0	P 1.70 Million
	2018	P 1.70 Million	0	0	P 1.70 Million
	2017	P 1.73 Million	0	0	P 1.73 Million

Compensation of Directors

Since the date of election, the directors have been receiving P 5,000.00 per meeting. Aside from the foregoing, the directors have served without compensation. The directors did not also receive any amount or form of compensation for committee participation or special assignments.

Under the By-Laws of the Company, by resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. There are no other arrangements for compensation either by way of payments for committee participation or special assignments. There are also no outstanding warrants or options held by the Company's Chief Executive Officer, other officers and/or directors.

Item 11 - Security Ownership of Certain Record and Beneficial Owners and Management

Owners of more than 5% of voting securities as of June 30, 2019:

Class	Name and address of record Owner and relationship with Issuer	Name of beneficial ownership and relationship with record owner	Citizenship	Shares Owned	%
A	1. Arsenio T. Ng 9Floor Summit One Tower 530 Shaw Boulevard, Mand, City Chairman, President and CEO	None	Filipino	2,763,541,260"r"	61.41%
A B	2. PCD Nominee Corp. (Fil) 37F Tower 1, The Enterprise Center 6766 Ayala Avenue, Makati City	various various	Filipino Filipino	880,094,430"r" 798,054,730"r"	19.56% 17.73%

The clients of PCD Nominee Corporation are the beneficial owners and have the power to decide how their shares are to be voted.

(3) Security ownership of Management as of June 30, 2019:

Class	NAME OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	% of Total Shares Outstandin g
A	NG, ARSENIO T.	PhP276,354,126.00	"d"	Filipino	61.41%
A	NG, HILARIO T.	350,100.00	"d"	Filipino	0.08%
A&B	BONIFACIO CHOA	200,000.00	"d"	Filipino	0.04%
A	HYLAND SI	100,000.00	"d"	Filipino	0.02%
A	CHEE CHOONG CHEAH	100.00	"d"	Malaysia	0.00%
A	SANTOS CEJOCO	100.00	"d"	Filipino	0.00%
A	MANUEL MOJE	1,000.00	"d"	Filipino	0.00%
A	PAUL SARIA	301,000.00	"d"	Filipino	0.07%
A	SOPHIE MILES NG	305,277.40	"d"	Filipino	0.07%
A	TWINIE KAYE NG	511,433.30	"d"	Filipino	0.11%
A	RENATO TAGUIAM	1,000.00	"d"	Filipino	0.00%
	All directors and executive officers as a group	**PhP278,124,136.70**			**61.81%**

Each every security holder is the beneficial owner in his own right.

Voting Trust Holders of 5% or More
The company has no voting trust agreement with any person or entity.

Changes in Control

There is no change in control or ownership of the company.

Item 12 - Certain Relationship and Related Transaction

Unipage Management Inc.(UMI)
In 2018, the Group sold 5 million shares of stock of ATN Solar to UMI for P15 million. A gain of P10 million was realized on the transaction and is reported in the Statement of Income in the same year. The transaction price, which management believes is at arms-length. Settlement was made via off-setting of inert-company valances.

The Group and UMI are parties to a *Hedging Agreement* covering the former's foreign currency loans. The net effect of the foreign exchange differences in translating to Peso and hedging fee were accounted for as related party transaction.

During 2018, the Company's cash requirements are provided by UMI totaling to P13.84 million. These advances are not subject to interest and were fully paid in 2019.

Sierra Madre Consolidated Mines (SMCM)
In prior years, the Group made advances to SMDC to fund its mining activities. Such advances will be converted into equity interest in SMCM when mining operations commence. Due to unforeseen circumstances, SMCM encountered financial difficulties and were unable to operate and generate revenues and cash flows. Accordingly, the Group provided a full impairment loss on its advances to SMCM in 2014 amounting to P11.7 million.

Transpacific Broadband Group Int'l. Inc. (TBGI)
The Group and TBGI are parties to a Teaming Agreement executed in January 2013. Pursuant thereto, sharing of cost and expenses incurred within Summit One Condominium Tower related to technical operations is to be advanced by either of the parties and to be reimbursed from the other parties proportionately or by actual usage as the case maybe.

For the years ended March 31, 2019, 2018, and 2017, the Group charged TBGI its proportionate share of communication, dues and utilities expenses amounting to P238,072, P1,116,709 and P968,110 respectively.

ATN Solar
For the years ended March 2019, 2018 and 2017 the Group charged ATN Solar its proportionate share of expenses amounting to P238,072, P667,234 and 531,259 respectively.

Stockholders
The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended march 31, 2019, 2018 and 2017.

Item 13 – Part IV - Compliance with leading practice on Corporate Governance

The company will make a separate submission on filling of Integrated Annual Corporate Governance. The detailed discussion of the Annual Corporate Governance Section deleted as per SEC memorandum Circular No. 5, series of 2013, issued last March 20, 2013

Reports on SEC Form 11-C
No reports on SEC Form 11-C were filed during the year.

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MANDALUYONG on JUL 2 3 2019.

By:

ARSENIO T. NG	**ARCH. HILARIO T. NG**	**PAUL B. SARIA**
Principal Executive Officer	Principal Financial Officer	Principal Operating Officer

JUL 2 3 2019

SUBSCRIBED AND SWORN to before me this ________ day of July 2019, affiant(s) exhibiting to me their driver's license, as follows:

NAMES	CPI. NO.	DATE EXPIRES	PLACE OF ISSUE
ARSENIO T. NG	DL#N01-86-031588	Expires 03/13/2021	Mandaluyong
HILARIO T. NG	DL#F03-890495056	Expires 08/23/2021	Manila
PAUL SARIA	DL#N04-93-264992	Expires 12/15/2021	Mandaluyong

ATTY. ROGELIO J. BOLIVAR
Notary Public QUEZON CITY
AM Adm. Not. Com. No. NP-124 1-12-19 until 12-31-2020
IBP O.R. No. 055255 Jan. 2019 & IBP O.R. No. 055256 Jan. 2020
PTR O.R No. 7376155 C 1-7-19 / Roll No. 33832 / TIN# 129-871-009
MCLE No. V-0019296 valid from 04/15/2016 until 04/14/2019/PASIG CITY
Address: 31-F Harvard St. Cubao, Q.C.

Doc. No.: 949
Page No.: 70
Book No.: XXVI
Series of 2019

ATN HOLDINGS, INC.

9TH Floor Summit One Tower
530 Shaw Blvd. Mandaluyong City
Tel. Nos. 717-0523 / 404-0239

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

July 12, 2019

The management on **ATN HOLDINGS, INC.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the fiscal years ended **March 31, 2019 and 2018**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

R.R. Tan and Associates, CPAs, the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Arsenio T. Ng	**Hilario T. Ng**	**Paul Saria**
Chairman and CEO	**Chief Finance Officer**	**Chief Operating Officer**

JUL 16 2019

SUBSCRIBED AND SWORN to before me this ______ day of July 2019, affiants exhibiting to me their driver's license as follows:

NAMES	RES. CERT. NO.	DATE OF EXPIRATION	PLACE OF ISSUE
Arsenio T. Ng	DL# NO1-86-031588	03/13/2023	Mandaluyong
Hilario T. Ng	DL# F03-89-049-506	08/23/2021	Manila
Paul B. Saria	DL# N04-93-264-992	12/15/2021	Mandaluyong

ATTY. ROGELIO J. BOLIVAR
NOTARY PUBLIC IN QUEZON CITY
AM Adm. Not. Com. No. NP-124 until 12-31-2020
IBP O.R. No. 055255 Jan. 2019 & IBP O.R. No. 055256 Jan. 2020
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Address: 31-F Harvard St. Cubao, Q.C.

Doc. No. : 18
Page No. : V
Book No. XXIII
Series of 2018 2019

ATN HOLDINGS, INC. and SUBSIDIARIES

Consolidated Financial Statements
March 31, 2019 and 2018

R. R. TAN & ASSOCIATES, CPAs

Unit 1705, Antel Global Corporate Center
Doña Julia Vargas Avenue, Ortigas Center
Pasig City, Philippines 1605
Tel.: (632) 638-3430 to 32; Fax: (632) 638-3430
e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2021
SEC Accreditation No.0220-FR-2, valid until March 27, 2020
BIR Accreditation No. 07-001080-002-2016, valid until October 3, 2019

Report of Independent Public Accountants

The Stockholders and Board of Directors
ATN HOLDINGS, INC.
9TH Floor, Summit One Tower,
530 Shaw Blvd., Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of **ATN HOLDINGS, INC. AND SUBSIDIARIES** (the Group), which comprise the consolidated statements of financial position as at March 31, 2019 and 2018, and consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended March 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group as at March 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2019, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Investment in an Associate

As of March 31, 2019, the Group's investment in an associate amounted to P678 million equivalent to 48.44% beneficial equity interest. The asset represents 19% of the total assets at year-end after the Group poured additional investment amounting to P351.87 million during 2018. The associate, which is accounted under the equity method, is still in the pre-opening stage and now venturing into quarrying activities. We consider this as a key audit matter based on the following key assessments: (i) volume of investments, (ii) complex nature of associate's operations and (iii) certainty or uncertainty of commencing operations.

The Group's disclosure in Investment in associate is discussed in Note 13 of the Notes to Financial Statements.

Audit procedures conducted
In the audit of Investment in associates, the following procedures were carried out:

- Performing an analytical procedures of the associates latest financial statements and impairment assessment, where necessary;

- Discussion with key management and technical personnel regarding the developments of solar projects and the rock crusher project during the year and any subsequent material events;

- Review of financial forecast of the associates including project financing, revenue estimates and other investment opportunities;

- Review of significant agreements entered into with other parties related to its solar project, including minutes of Board of Directors meeting;

- Site visit, inspection and observation at the plant site;

Valuation and recoverability of Investment Properties

As of March 31, 2019 and 2018, the Group has Investment Properties amounting to P2.725 billion and P2.681 billion, comprising 78% and 86% of the total assets, respectively. Significant portion of Investment properties are measured under the fair value method as determined by the accredited professional property appraiser. Said appraiser used several significant observable factors for each of the property to determine fair value such as price per square meter, location, highest and best use of the property, among others.

The Group also assesses, at each reporting period whether there are indications that these assets maybe impaired. The assessment of the recoverable amount of investment properties requires significant judgements and involves estimation and assumption as to the recoverability of the carrying amounts as at the reporting period. Hence, the valuation and recoverability of Investment properties is a key matter in our audit. Investment properties is disclosed in Note 14.

Audit procedures conducted
Our audit of Investment properties was focused on the appropriateness and reasonableness of the significant observable and unobservable factors and assumptions used to determine fair values. We also assessed the independence and competency of property appraiser. A re-computation of the related accounts as a result of revaluation was also conducted.

For impairment assessment, we obtained an understanding of the Group's impairment assessment procedures. The significant methods and assumptions used including the required disclosures in the financial statements and those that have the most significant effect on the determination of the recoverable amount of Investment properties.

Other Matters

We did not audit the financial statements of subsidiaries as of and for the three years ended December 31, 2018, 2017 and 2016, which are consolidated in the accompanying financial statements. Total assets and total liabilities of these subsidiaries included in the accompanying consolidated financial statements amounted to P2.4 billion and P809 million, respectively, in December 31, 2018, P2.3 billion and P752 million, respectively, in December 31, 2017, and P2.3 billion and P733 million, respectively, in December 31, 2016. Gross income and total expenses amounted to P16.6 million and P19.8 million, respectively, for the year ended December 31, 2018, P4.5 million and P9.1 million, respectively, for the year ended December 31, 2017, and P7.4 million and P8.6 million, respectively, for the year ended December 31, 2016. The financial statements of these subsidiaries were audited by another auditor whose unmodified reports thereon have been furnished to us, and our opinion, insofar as it relates to these amounts included for these subsidiaries is based solely on the reports of the other auditor.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended March 31, 2019, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended March 31, 2019 are expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

R. R. TAN AND ASSOCIATES, CPAs

By: **CHESTER NIMITZ F. SALVADOR**
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 5174718, January 12, 2019, Pasig City
SEC Accreditation No. 1608-A, valid until January 26, 2020
BIR Accreditation No. 07-000251-003-2019, valid until June 13, 2022

July 12, 2019
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2019 AND 2018

	Notes		2019		2018
ASSETS					
Current Assets					
Cash	9	P	17,211,263	P	12,620,016
Trade receivable			-		305,286
Other current assets	10		5,593,116		3,997,629
			22,804,379		16,922,931
Non-current assets held for sale	11		18,477,856		42,100,683
			41,282,235		59,023,614
Non-current Assets					
Investments in:					
Financial Assets - Fair value through other comprehensive income (FVOCI)	12		22,955,000		-
Available-for-sale securities (AFS)	12		-		22,986,000
Associates - net	13		678,207,476		323,180,202
Investment properties	14		2,725,369,360		2,681,006,772
Property and equipment - net	15		16,184,354		19,171,742
Intangible asset - net	16		4,000,000		5,850,000
Due from related parties	25		-		14,746,500
			3,446,716,190		3,066,941,216
TOTAL ASSETS		P	3,487,998,425	P	3,125,964,830
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	17	P	4,477,123	P	4,085,862
Current portion of interest bearing loans	18		22,857,352		43,102,212
			27,334,475		47,188,074
Liability portion of non-current assets held for sale	11		21,945,941		43,452,774
			49,280,416		90,640,848
Non-current Liabilities					
Non-current portion of interest bearing loans	18		1,792,138		-
Deposits	19		21,152,981		5,129,253
Subscription payable	13		86,981,600		80,195,240
Due to related parties	25		493,623,794		103,376,114
Pension liability	24		655,274		573,696
Deferred tax liabilities - net	26		714,938,971		714,704,957
			1,319,144,758		903,979,260
TOTAL LIABILITIES			1,368,425,174		994,620,108
EQUITY					
Share capital	21		450,000,000		450,000,000
Additional paid-in capital			22,373,956		22,373,956
Unrealized loss on:					
Financial asset at fair value through OCI - net of tax	21		(1,454,818)		-
AFS securities - net of tax	21		-		(1,423,973)
Retained earnings - March 31			1,648,654,113		1,660,394,739
TOTAL EQUITY			2,119,573,251		2,131,344,722
TOTAL LIABILITIES AND EQUITY		P	3,487,998,425	P	3,125,964,830

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2019, 2018 AND 2017

	Notes		**2019**		2018		2017
REVENUES							
Lease of properties	*14 & 28*	**P**	**11,158,278**	P	7,813,973	P	8,239,262
Sale of real estates			**5,748,953**		-		714,286
Health care services			**-**		2,011,419		7,711,236
Other income:							
Interest income			**17,607**		26,231		16,402
Fair value gain on investment properties	*14*		**-**		445,872,528		-
Gain on sale of investment in associate	*13*		**-**		10,000,000		-
Gain on foreign exchange			**-**		-		3,907
Gain on sale of AFS securities	*12*		**-**		-		10,727,536
			16,924,838		465,855,433		27,412,629
COSTS AND EXPENSES							
Cost of sales and services	*22*		**7,580,446**		4,569,522		9,171,255
Administrative expenses	*23*		**11,715,733**		10,086,502		13,177,538
Equity in net loss of an associate	*13*		**3,627,846**		1,740,265		677,267
Finance costs	*18*		**1,573,630**		1,324,687		1,105,684
Impairment losses	*15 & 16*		**3,535,252**		4,912,000		-
			28,032,907		22,632,976		24,131,744
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**(11,108,069)**		443,222,457		3,280,885
INCOME TAX EXPENSE			**632,557**		134,945,864		177,273
INCOME (LOSS) FOR THE PERIOD		**P**	**(11,740,626)**	P	308,276,593	P	3,103,612
EARNINGS (LOSS) PER SHARE	*27*	**P**	**(0.00261)**	P	0.06851	P	0.00069

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2019, 2018 AND 2017

	Notes		2019		2018		2017
INCOME (LOSS) FOR THE PERIOD		**P**	**(11,740,626)**	P	308,276,593	P	3,103,612
OTHER COMPREHENSIVE INCOME (LOSS)							
Items to be reclassified to profit or loss in subsequent periods:							
Fair value changes in AFS securities taken to profit and loss - net of deferred tax			**-**		-		(10,616,931)
Fair value changes in AFS securities - net of deferred tax	*21*		**-**		780,378		61,978
Items not to be reclassified to profit or loss in subsequent periods:							
Fair value changes inFinancial asset at fair value through other comprehensive income - net deferred tax	*21*		**(30,845)**		-		-
TOTAL COMPREHENSIVE INCOME (LOSS)		**P**	**(11,771,471)**	P	309,056,971	P	(7,451,341)

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2019, 2018 AND 2017

	Notes	Share Capital	Additional Paid-in Capital	Unrealize loss on: Financial assets at fair value through OCI - net of deferred tax	Unrealize loss on: Available-for-sale securities - net of deferred income tax	Retained Earnings	Total
Balance at March 31, 2017		P 450,000,000	P 22,373,956	P -	P (2,204,351)	P 1,352,118,146	P 1,822,287,751
Changes in fair value of AFS securities	*21*	-	-		780,378	-	780,378
Income for the period		-	-	-	-	308,276,593	308,276,593
Balance at March 31, 2018		450,000,000	22,373,956	-	(1,423,973)	1,660,394,739	2,131,344,722
Effect of adoption of PFRS 9		-	-	**(1,423,973)**	**1,423,973**	-	-
Changes in financial assets at fair value through OCI	*21*	**-**	**-**	**(30,845)**	**-**	**-**	**(30,845)**
Loss for the period		**-**	**-**		**-**	**(11,740,626)**	**(11,740,626)**
Balance at March 31, 2019		**P 450,000,000**	**P 22,373,956**	**P (1,454,818)**	**P -**	**P 1,648,654,113**	**P 2,119,573,251**

See accompanying Notes to Consolidated Financial Statements

ATN HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2019, 2018, AND 2017

	Notes	**2019**	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax expense		**P (11,108,069)**	P 443,222,457	P 3,280,885
Adjustments for:				
Depreciation and amortization	*15 & 16*	**5,193,207**	5,599,236	4,783,930
Unrealized foreign exchange loss (gain)		**-**	(131,282)	-
Gain on sale of investment in associate		**-**	(10,000,000)	-
Equity in net loss of an associate	*15*	**3,627,846**	1,740,265	677,267
Interest expense	*18*	**1,573,630**	1,324,687	1,105,684
Interest income		**(17,607)**	(26,231)	(16,402)
Provision (reversal) for retirement liability	*24*	**81,578**	(129,170)	49,952
Impairment loss	*15 & 16*	**3,535,252**	4,912,000	1,230,901
Gain on sale of AFS investment		**-**	-	(10,727,535)
Fair value gains on investment properties		**-**	(445,872,528)	-
Operating Income Before Working Capital Changes		**2,885,837**	639,434	384,682
(Increase) Decrease in Operating Assets:				
Trade receivable		**305,286**	592,836	935,448
Other current assets		**(1,544,315)**	(1,379,419)	(943,411)
Non-current assets held for sale		**(1,979,444)**	-	-
Increase (Decrease) in Operating Liabilities:				
Accounts payable and accrued expenses		**391,261**	(554,636)	1,251,600
Deposits		**(58,000)**	(557,629)	2,132,387
Cash provided by (used in) operations		**626**	(1,259,414)	3,760,706
Income tax paid		**(449,560)**	(147,305)	(155,235)
Interest received		**15,554**	26,231	16,402
Net Cash Provided by (Used in) Operating Activities		**(433,380)**	(1,380,488)	3,621,873
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of:				
Property and equipment	*17*	**(3,891,071)**	(1,554,964)	(535,714)
Investment properties	*16*	**(25,014,840)**	(3,899,248)	(457,618)
Disposal of Non-current asset held for sale		**-**	-	735,000
Interest received		**1,044**	-	-
Increase in non-current liabilities held for sale		**-**	2,399,819	-
Advances to related parties		**-**	(3,364,220)	(1,238,092)
Collections of advances to related parties		**14,746,500**	33,871,227	18,469,101
Increase in deposits		**1,013,722**	58,000	655,647
Payment of subscription	*15*	**(351,868,760)**	(76,748,460)	(40,400,000)
Net Cash Used in Investing Activities		**(365,013,405)**	(49,237,846)	(22,771,676)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of interest bearing loans:				
Principal		**(61,687,627)**	(3,900,000)	(21,359,054)
Interest	*21*	**(1,573,630)**	(1,324,687)	(1,105,684)
Interest received		**1,009**	-	-
Proceeds of bank loans		**43,050,600**	20,000,000	22,203,823
Advances from related parties		**451,080,374**	38,953,715	26,269,462
Payments made to related parties		**(60,832,694)**	(3,000,000)	(257,310)
Net Cash Provided by Financing Activities		**370,038,032**	50,729,028	25,751,237
INCREASE IN CASH AND CASH EQUIVALENTS		**4,591,247**	110,694	6,601,434
CASH AT BEGINNING OF YEAR		**12,620,016**	12,509,322	5,907,888
CASH AT END OF YEAR		**P 17,211,263**	P 12,620,016	P 12,509,322

See accompanying Notes to Consolidated Financial Statements

1. Corporate Information

ATN Holdings, Inc. (*ATN, the Parent or the Company*) was registered with the Securities and Exchange Commission (SEC) on February 12, 1969 under the name Jabpract Mining and Industrial Corporation. On March 14, 1996, Jabpract Mining and Industrial Corporation changed its corporate name to ATN Holdings, Inc. and its primary and secondary purposes were amended to enable it to perform the acts of a holding company. On November 10, 2016, the Company's articles of incorporation was amended extending its corporate life for another fifty (50) years from February 12, 2019. The amendment was approved by the SEC on November 21, 2016.

The common shares of ATN are listed and traded on the Philippine Stock Exchange. The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City. ATN Holdings, Inc. has no ultimate Parent company.

The accompanying consolidated financial statements were authorized for issue by the President on July 12, 2019.

2. Basis of Preparation and Presentation

Basis of Financial Statement Preparation and Presentation
The accompanying consolidated financial statements of the Parent Company and Subsidiaries (*the Group*) have been prepared in accordance with Philippine Financial Reporting Standards on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI)/Available-for-sale (AFS) investment and investment properties that have been measured at fair values.

The consolidated financial statements are presented in Philippine Peso, which is the Group's functional currency. All values represent absolute amounts except when otherwise indicated.

Statement of Compliance
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof. PFRS are adopted standards by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

Principle for Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and those of the subsidiaries. The reporting dates of the subsidiaries are December 31. A parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, control is achieved if and only if the parent company has the following;

(i) Power over the investee;
(ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
(iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The parent reassesses whether or not it controls a subsidiary if facts and circumstances indicates that there are changes to one or more of the three elements of control.

As of March 31, 2019, 2018 and 2017, the consolidated subsidiaries are as follows:

Subsidiary	Principal place of business	Principal Activity	% of Ownership
Palladian Land Development, Inc. (PLDI)	Summit One Tower, Mandaluyong	Real Property Developer	100%
Advanced Home Concept Development Corporation (AHCDC)	Summit One Tower, Mandaluyong	Real Property Developer	100%
Managed Care Philippines, Inc. (MCPI)	Summit One Tower, Mandaluyong	Health and Wellness Provider	100%

PLDI and AHCDC are companies engaged in the development of residential real estate projects.

MCPI is an out-patient ambulatory surgical center, well-equipped with modern technologies such as x-ray machine, ultrasound, colored echocardiography, complete laboratory and operating room set-up, giving emphasis on preventive, constructive/re-constructive health care and clinical service.

For the year ended December 31, 2019 and 2018, AHCDC has no operations and is poised to venture into joint operation or project with its affiliated companies. MCPHI has downsized its operations in 2018 to dental care as it plans to re-brand itself into collaborating with leading hospital in the country. The financial statement do not include any adjustment that might result from this uncertainty.

Subsidiaries are consolidated from the date when control is transferred to the ATN Group and cease to be consolidated when control is transferred out of the ATN Group.

For consolidation purposes, the financial statements of the subsidiaries with calendar period ending December 31, are consolidated in the Parent Company's financial statements as of March 31 which is allowed by the existing standard if the difference is not more than three months. Adjustments and disclosures are made for the effects of significant transactions or events that occurred between the date of subsidiaries' financial statements and the date of the consolidated financial statements.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the end of the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Cash and Cash Equivalents
Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

Financial Instruments

Date of Recognition
Financial assets and financial liabilities are recognized in the consolidated statements of financial position of the Group when it becomes a party to the contractual provisions of the instrument.

Initial Recognition

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

Determination of Fair Value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification and Measurement of Financial Assets effective April 1, 2018
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for financial assets at FVPL, all financial assets are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

- Financial Assets at Amortized Cost

  The Group measures financial assets at amortized cost if both of the following condition are met:

  - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized or impaired.

The Group's financial assets at amortized cost includes cash, account receivables and deposits.

- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Equity instruments
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under *PAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

As of March 31, 2019, the Company has financial instrument amounting to P22,955,000 under this category.

Debt instruments
A debt financial asset is measured at FVOCI if both of the following condition are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As of March 31, 2019, the Group does not have debt instruments at FVOCI.

- Financial Assets at Fair Value through Profit or Loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are subsequently carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. Dividends are also recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

Classification and Measurement of Financial Liabilities effective April 1, 2018
Financial liabilities are measured at amortized cost, except for the following:

(i) Financial liabilities measured at fair value through profit or loss;

(ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;

(iii) Financial guarantee contracts;

(iv) Commitments to provide a loan at a below-market interest rate; and

(v) Contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

(i) If a host contract contains one or more embedded derivatives; or

(ii) If a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As of March 31, 2019, financial liabilities at amortized cost include the Company's accounts payable, accrued expenses, interest-bearing loans, deposits, subscription payable and due to related parties.

Classification of Financial Instruments prior to April 1, 2018
The Group classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Group classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

- Financial Assets and Financial Liabilities at FVPL
  Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL. After initial recognition, financial assets and financial liabilities at FVPL are carried at fair value.

  A financial asset and financial liability is classified as held for trading if:

  - It has been acquired principally for the purpose of selling in the near future; or
  - It is part of an identified portfolio of financial instruments that the Group manages together and has recent actual pattern of short-term profit-taking; or
  - It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistently that would otherwise arise; or
- The financial asset forms part of a group of financial assets that is managed and its performance is evaluated on a fair value basis.
- It forms part of a contract containing one or more embedded derivatives.

As of March 31, 2018, there are no financial assets under this category.

- Available-for-sale (AFS)

AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the statement of financial position. Changes in the fair value are recognized directly in equity account as "*Unrealized loss on AFS securities*". Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in profit or loss for the period.

As of March 31, 2018, financial assets under this category amounted to P22,986,000 consists of investment in share of stocks.

- Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the Group's's cash, account receivables, security deposits and other receivables.

- Held-to-maturity (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Company has the positive intention and ability to hold to maturity. After initial measurement, HTM assets are carried at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Any changes to the carrying amount of the investment are recognized in statements of income.

As of March 31, 2018, there are no financial assets under this category.

- Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statement of comprehensive income.

Included under this category are accounts payable and accrued expenses. Furthermore, the adoption of PFRS 9 does not significantly change the accounting for financial liabilities under PAS 39.

Reclassification of Financial Assets – effective April 1, 2018
The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets:

(i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
(ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Reclassification of Financial Assets – As of March 1, 2018
A financial asset is reclassified out of the FVPL category when the following conditions are met:

(i) the financial asset is no longer held for the purpose of selling or repurchasing it the near future; and,
(ii) there is a rare situation

A financial asset that is reclassified out of the FVPL category if reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the statement of income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment of Financial Assets effective April 1, 2018
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established probability of default rates for third party trade receivables based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group applies the historical credit loss method in case undue cost or effort is involved in calculating the ECL by considering the forward-looking factors. For inter-group trade receivables, the Company has established probability of default rates based on internal credit rating of the customers. Internal credit ratings are based on methodologies adopted by independent credit rating agencies. Therefore, the internal ratings already consider forward looking information.

The Group consider a financial asset to be in default when contractual payments are 180 days past due. However, Group considers internal or external information when there are indicators that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment of Financial Assets as of March 31, 2018
The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Assets carried at amortized cost
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognized in the profit and loss accounts.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the profit and loss accounts, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(ii) Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are subject to impairment review at each end of the reporting period. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer/obligor, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of an asset is below its carrying amount.

Derecognition of Financial Instruments – as of and for the year ended March 31, 2018 and 2019

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Non-current Assets Held for Sale
The Group classifies its non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

The Company measures its non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

Other Current Assets
Other current assets include 12% input tax from purchases of goods and services which can be claimed against output tax, prior year's excess credit and security deposits. Other current assets are carried at original amounts.

Investment Properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Group.

Investment properties are measured initially at acquisition cost. The initial cost of investment properties comprises its purchase price and directly attributable costs of bringing the assets to working condition for intended use. Subsequently, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The fair value of the investment property is based on a valuation by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Group. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense when incurred.

Transfers are made to or from investment property only when there is a change in use evidenced by the end of owner-occupation, commencement of an operating lease to another party or completion of construction or development. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of the change in use.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of income in the year of retirement or disposal.

Investment in Associates
The Group's investments in associates are accounted for using the equity method. An associate is an entity in which a company has significant influence. Under the equity method, the investments in associates is initially recognized at cost and the carrying amount is

increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

Upon loss of significant influence over the associate, the equity method is discontinued and the investment is accounted in accordance with PAS 39/PFRS 9, Financial Instruments: Recognition and Measurement.

Property and Equipment

Property and equipment are initially recognized at acquisition cost including the expenses to get the property ready for its intended use. Subsequent to initial recognition, property and equipment are carried at cost less accumulated depreciation and impairment losses, if any.

Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period in which the costs are incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Medical equipment and fixtures	15
Office furniture and fixtures	10
Leasehold improvements	3-13 or lease term whichever is shorter
Transportation equipment	5

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An asset's residual value, useful life and depreciation method are reviewed periodically to ensure that the period, residual value and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of income in the year the item is derecognized.

Intangible Asset

The Group's portal and enterprise system is carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Amortization is computed based on the aggregate predicted life of 15-20 years from the date of launch.

Deposits

Deposits represent security deposits from clients and reservation fees from real estate buyers. The same will be applied to contract price when the buyer committed to purchase the unit. Reservation fees are non-refundable should the buyer decided not to go through with the acquisition of the property.

Leases

Leases where the lessor retains substantially all the risk and benefits of ownership of the asset are classified as operating lease. Operating lease payments are recognized as expense on a straight line basis over the lease term.

Finance lease, which transfer to the company substantially all the risks and benefits incidental to the ownership of the leased asset, are capitalized at the lower of fair value of the leased asset or the present value of the minimum lease payments at the inception of the lease. Lease payments are apportioned between the finance charges and reduction of the lease liability. Finance charges are recognized in the statements of income.

Equity

Share capital is determined using the par value of shares that have been issued and fully paid.

Additional paid-in capital includes premiums received on the issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized gain/loss on Available-for-sale financial assets/Financial assets at fair value through other comprehensive income pertains to mark-to-market valuation of financial assets through other comprehensive income.

Retained earnings include all current and prior period results of operations as disclosed in the consolidated statements of comprehensive income.

Other Comprehensive Income

Other comprehensive income comprises items of income and expenses that are not recognized in the profit or loss for the year in accordance with PFRS.

Revenue and Cost Recognition

Revenue comprises revenue from sale of goods and rendering of services measured by reference to the fair value of consideration received or receivable by the Group for services rendered, excluding VAT and discounts. Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time. A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Company performs;
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
- The Group's performance does not create an asset with an alternative use to the Company and the Group has an enforceable right to payment for performance completed to date.

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

(i) Interest – interest income from bank deposits is recognized as interest accrues taking into account the effective yield on the related asset.

(ii) Profit from assets sold or exchanged – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental income - properties leased out under operating leases are included in investment property in the consolidated statements of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

(iv) Sales of services – revenue are recognized upon rendering of services or completion of services made.

(v) Dividends - dividends are recognized in the period in which they are declared.

(vi) Fair value gains on investment properties – fair value gains on investment properties are recognized when the market value of the investment properties are higher than its carrying value. Measurement of fair value is discussed in Note 6.

Cost and expenses are recognized in the consolidated statements of income upon utilization of the assets or services or at the date they are incurred. Interest expense is reported on accrual basis.

Retirement Benefit Cost
The Group accrues retirement expense based on the provision of the Retirement Pay Law (R.A. 7641). The RA requires that employers with no formal retirement plan or agreement providing for retirement benefits shall provide for retirement pay equivalent to at least 15 days plus 1/12 of the 13^{th} month pay and the cash equivalent of not more than five (5) days of service incentive leave for employees who have rendered at least five (5) years of service and have reach the age of 60 at the time of retirement. Annually, the Group assesses the sufficiency of the recorded retirement liability. Any increase or decline thereto is adjusted in the consolidated statement of financial position.

Borrowing Costs
Borrowing costs are generally expense as incurred. Borrowing costs are capitalized if they are attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are ready for their intended use.

Income Taxes
Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the consolidated statements of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Foreign Currency Transactions and Translations

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (*the functional currency).* The consolidated financial statements of the Parent and subsidiaries are presented in Philippine Peso, the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency at exchange rates prevailing at the time of transaction. Foreign currency gains and losses resulting from settlement of such transaction and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of income.

Provisions

Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example legal disputes for onerous contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain, as a separate asset at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. In addition, long term provisions are discounted at their present values, where time value of money is material. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share

Earnings (Loss) per share are determined by dividing the profit for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships

Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Events after the Reporting Period

Post year-end events that provide additional information about the Group's position at the end of reporting period (adjusting events) are reflected in the consolidated financial statements.

Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of April 1, 2019

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning April 1, 2019.

PFRS 9, *Financial Instruments*

PFRS 9 *Financial Instruments,* which replaces PAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of PFRS 9, brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group chose not to restate comparative figures permitted by the transitional provisions of PFRS 9, thereby resulting in the following impact:

- Comparative information for prior periods will not be restated. The classification and measurement requirements previously applied in accordance with PAS 39 and disclosures required in PFRS 7 will be retained for the comparative periods. Accordingly, the information presented for 2018 does not reflect the requirements of PFRS 9.

- The Group will disclose the accounting policies for both the current period and the comparative periods, one applying PFRS 9 beginning April 1, 2018 and one applying PAS 39 as of March 31, 2018.

The Group assessed that the adoption of PFRS 9, specifically on determining impairment loss using simplified approach (or general approach, as applicable), has no significant impact on the carrying amounts of the Group's financial assets. Financial assets previously classified as loans and receivable will be classified as Financial assets at amortized cost.

Further, there is no significant impact on the basic and diluted earnings per share as a result of the Group's adoption of PFRS 9.

The impact of adoption of PFRS 9 is as follows:

- ➢ Trade receivable, deposits, including advances to Related parties as of March 31, 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest and will be classified and measured as Financial asset at amortized cost beginning April 1, 2018.

- ➢ Equity instruments in listed and non-listed companies classified as AFS financial assets as of March 31, 2018 are classified as Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) beginning April 1, 2018. The Group elected to classify irrevocably its listed and non-listed equity investments under this category at the date of initial application as it intends to hold these investments for the foreseeable future. There were no impairment losses recognized in profit or loss for these investments in prior periods. The cumulative unrealized loss on Available-for-sale investments are also reclassified to unrealized loss on Financial assets at fair value through other comprehensive income.

- ➢ The adoption of PFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the

Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss. There are no impairment losses incurred at the adoption of PFRS 9.

The Group assessed that the adoption of PFRS 9, specifically on determining impairment loss using simplified approach (or general approach, as applicable), has no significant impact on the carrying amounts of the Group's financial assets.

Further, there is no significant impact on the basic and diluted earnings per share as a result of the Grup's adoption of PFRS 9.

PFRS 15, *Revenue from Contract with Customers*. This standard replaces PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of PFRS 15 has not resulted to changes in the Group's accounting policies; hence, no adjustment is recognized in the consolidated financial statements.

PFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Amendments to PFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*

The amendments are intended to clarify following:

- Accounting for cash-settled share-based payment transactions that include a performance condition;
- Classification of share-based payment transactions with net settlement features; and
- Accounting for modifications of share-based payment transactions from cash-settled to equity settled

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

The adoption of this amendment did not result in any impact on the consolidated financial statements since the Group has no share-based payment transactions.

Amendments to PFRS 4, *Insurance Contracts – Applying PFRS 9 'Financial Instrument' with PFRS 4 'Insurance Contracts'*
The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard, before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

The amendments are not applicable to the Group since there are no activities that are predominantly connected with insurance or issue insurance contracts.

Amendments to PAS 40, *Investment Property – Transfers of Investment Property*
The amendments clarify when an entity should transfer property, including property under construction or development, into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. The amendments are effective for annual periods beginning on or after July 1, 2018. Retrospective application is only permitted if that is possible without the use of hindsight. The amendments did not result in any impact on the Group's consolidated financial statements.

Annual Improvements to PFRSs (2014-2016 cycle)
The Annual Improvements to PFRSs (2014-2016 cycle) are effective for annual periods beginning on or after April 1, 2018 and did not result in any material impact to the Group's consolidated financial statements. They include:

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*
  The amendment deleted the short-term exemptions in paragraphs E3-E7 of PFRS 1, because they have now served their intended purpose.

- PFRS 12, *Disclosure of Interests in Other Entities*
  The amendment clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10-B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations.*

- PAS 28, *Investments in Associates and Joint Ventures*
  The amendment clarified that the election to measure at fair value through profit or loss an investment in associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Philippine IFRIC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the interpretation on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The adoption of this interpretation did not result in any significant impact on the consolidated financial statements.

Standards effective subsequent to March 31, 2019

PFRS 16, *Leases*
On January 13, 2016, the IASB issued its new standard, PFRS 16, Leases, which replaces PAS 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating lease or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statement of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is not permitted until the FRSC has adopted the new revenue recognition standard.

When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective application, with options to use certain transition reliefs.

Annual Improvements to PFRSs (2015-2017 cycle)
The Annual Improvements to PFRSs (2015-2017 cycle) are effective for annual periods beginning on or after January 1, 2019 and will not have any material impact to the Group's consolidated financial statements. They include:

- PFRS 3, Business Combinations and PFRS 11, Joint Arrangements
  The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- PAS 12, Income Taxes
  The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.

- PAS 23, Borrowing Costs
  The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalization rate on general borrowings.

Amendments to PFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
The amendments cover two issues:

- What financial assets may be measured at amortized cost. The amendment permits more assets to be measured at amortized cost than under the previous version of PFRS 9, in particular some pre-payable financial assets.

- How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under PAS 39.

The amendments are effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The amendments will not have significant impact on the Group's consolidated financial statements.

Deferred
PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the consolidated financial statements.

5. Summary of Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about varying values of assets and liabilities that are not readily apparent from other sources. Although, these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

(i) Judgments
The following judgments were applied which have the most significant effect on the amounts recognized in the consolidated financial statements.

Going-concern assumption of certain subsidiaries
Included in consolidated financial statements are accounts of certain subsidiaries which are either reported a limited or no operation for the year ended December 31, 2018 and 2019. Management intends to re-focus its current business thrust into other ventures which are deemed to be more profitable and continue operation for a foreseeable future. Hence, the financial statements are prepared under the going concern assumption.

Classification of financial assets
In classifying its financial assets, the Group follows the guidance of PAS 39/PFRS 9. In making the judgment, the Group evaluates its intention, marketability of the instrument and its ability to hold the investments until maturity.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Classification of assets held for sale
The Group classifies a noncurrent asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition and its sale must be highly probable.

In 2017, management determined that certain investment properties are available for immediate sale within the next 12 months and already has an identified buyer. Management reclassified these from *Investment properties* into *Non-current assets held for sale* in the consolidated statement of financial position as of March 31, 2017. The carrying value of these assets amounted to P18.48 million as of March 31, 2019.

In 2019, portion of asset held for sale was reclassified back to investment properties due to changes in circumstances discussed in Note 11.

Operating leases – Group as lessor
The Group has entered into property leases on a portion of its investment property. The Group has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Group's rental income amounted to P11,158,278 in 2019, P7,813,973 in 2018 and P8,239,262 in 2017.

Determination of fair value of assets and liabilities
The Group measures fair value of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements. Fair value determination is discussed below.

Level 1
Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. An asset or liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of assets and liabilities were determined in a manner disclosed in Note 6.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

(ii) Estimates
The key assumptions concerning the future and other key sources of estimation of uncertainty at end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimation of allowance for impairment losses on receivables
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible or unrealizable accounts. The level of allowance for impairment losses is evaluated by management on the basis of factors affecting collectability/realizability of the receivables. In addition, a review of the accounts designed to identify accounts to be provided with allowance, is made on a continuing basis.
Estimated useful lives of property and equipment

The Group reviews annually the estimated useful lives of property and equipment, based on the period on which the assets are expected to be available for use. It is possible that future results of operation could be materially affected by changes in these estimates. A reduction in the estimated useful lives of property and equipment would increase recorded depreciation and decrease the related asset account.

Property and equipment, net of accumulated depreciation and impairment losses, amounted to P16.18 million and P19.17 million as of March 31, 2019 and 2018, respectively.

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Group determines the amount within a range of reasonable fair value estimates. In making its judgment, the Group considers information from a variety of sources including:

(i) current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
(ii) recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
(iii) appraisal of independent qualified appraisers.

Estimating the cost of assets held for sale
The Group measures its assets held for sale at the lower of their carrying amount and fair value less costs to sell. Management has determined the fair value less costs to sell of the Group's assets held for sale based on the indicative price agreed with identified buyer. The carrying value of assets held for sale as of March 31, 2019 amounted to P18.48 million.

Impairment of investment in associates and advances to related parties
The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Several factors are considered which could trigger that impairment has occurred. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have material adverse effect on the results of operations.

The net carrying value of Investment in and Advances to Associates as of March 31, 2019 and 2018 is as follows:

	2019			2018		
	Gross carrying amount	**Allowance for impairment**	**Net carrying value**	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in associates:						
ATN Phils Solar Energy Group, Inc.	**P 678,128,838**	**P -**	**P 678,128,838**	P 323,180,202	P -	P 323,180,202
Mariestad Mining Corporation (MMC)	**7,000,000**	**7,000,000**	**-**	7,000,000	7,000,000	-
Advances to related parties:						
Sierra Madre Consolidated Mines (SMCM)	**4,306,000**	**4,306,000**	**-**	4,306,000	4,306,000	-
	P 689,434,838	**P 11,306,000**	**P 678,128,838**	P 334,486,202	P 11,306,000	P 323,180,202

6. Fair Value Measurement

Fair value of Financial Instruments

The fair value of financial instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable price exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and the fair value in the consolidated statements of income unless it qualifies for recognition as some other type of asset.

Set out below is the comparison of fair value and carrying value by category of financial assets and liabilities at the end of the reporting period.

	2019		2018	
	Carrying value	**Fair value**	Carrying value	Fair value
Loans and receivables				
Cash	**P 17,211,263**	**P 17,211,263**	P 12,620,016	P 12,620,016
Trade receivable	**-**	**-**	305,286	305,286
Financial asset at FVOCI	**22,955,000**	**22,955,000**	-	-
AFS securities	-	-	22,986,000	22,986,000
Other financial liabilities				
Accounts payable and accrued expenses	**4,477,123**	**4,477,123**	4,085,862	4,085,862
Bank loans	**24,649,440**	**24,649,440**	43,102,212	43,102,212
Deposits	**21,152,981**	**21,152,981**	5,129,253	5,129,253
Subscription payable	**86,981,600**	**86,981,600**	80,195,240	80,195,240

Fair values were determined as follows:

- *Cash, receivables, accounts payable and accrued expenses, and subscription payable* – The fair values are approximately the carrying amounts at initial recognition due to their short-term nature.

- *Financial asset at fair value through other comprehensive income* – The fair value of investments that are actively traded in organized markets is determined by reference to quoted market bid prices at the close of business on reporting date. The value of unquoted AFS securities was derived by reference to its cost.

- *Bank loans* – The fair value of the loans payable is determined by discounting the principal using the market rate of 3%-5%.

- *Deposits* - The fair value of deposits approximates the carrying value as at year end since lease term are short-term in nature.

Fair value hierarchy
The fair value hierarchy of financial instruments measured at fair value is as follows:

	March 31, 2019			
	Carrying	Fair value hierarchy		
	value	Level 1	Level 2	Level 3
Financial assets at FVOCI				
Listed	**P 1,271,000**	**P 1,271,000**	**P -**	**P -**
Unlisted	**21,684,000**	**-**	**21,684,000**	**-**

	March 31, 2018			
	Carrying	Fair value hierarchy		
	value	Level 1	Level 2	Level 3
AFS securities				
Listed	P 1,302,000	P 1,302,000	P -	P -
Unlisted	21,684,000	-	21,684,000	-

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and market risk. Risk management policies are summarized below.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Group manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; c) be able to access funding when needed at the least possible cost, and d) maintain an adequate time spread of financial maturities.

The table below summarizes the maturity profile of the Group's financial liabilities at March 31, 2019 and 2018 based on contractual undiscounted payments:

2019	On demand	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 months & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 2,820,587	P 1,656,536	P -	P -	P -	P 4,477,123
Bank loans	-	-	-	22,857,352	-	24,649,490
Due to related parties	-	-	-	-	493,623,794	493,623,794
Subscription payable	-	-	-	-	86,981,600	86,981,600
	P 2,820,587	P 1,656,536	P -	P 22,857,352	P 580,605,394	P 609,732,007

2018	On demand	Not later than one month	Later than 1 month & not later than 3 months	Later than 3 months & not later than 1 year	No fixed payment period	Total
Accounts payable and accrued expenses	P 2,985,000	P 1,100,862	P -	P -	P -	P 4,085,862
Bank loans	-	-	-	43,102,212	-	43,102,212
Due to related parties	-	-	-	-	103,376,114	103,376,114
Subscription payable	-	-	-	-	80,195,240	80,195,240
	P 2,985,000	P 1,100,862	P -	P 43,102,212	P 183,571,354	P 230,759,428

Credit Risk
Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.
The table below shows the gross maximum exposure to credit risk of the Group as of March 31, 2019 and 2018. Net maximum exposure is the effect after considering collaterals and other credit enhancements.

	Gross maximum exposure	
	2019	2018
Cash and cash equivalents*	**P 17,211,263**	P 12,610,016
Financial asset at fair value through OCI	**22,955,000**	-
Available-for-sale securities	**-**	22,986,000
Trade receivable	**-**	305,286
Due from related parties	**-**	14,746,500
** excludes cash on hand*	**P 40,166,263**	P 50,647,802

The credit quality of the Group's assets as of March 31, 2019 and 2018 is as follows:

	Neither past due nor impaired		Past due	Past due	
2019	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents	**P 17,211,263**	**P -**	**P -**	**P -**	**P 17,211,263**
Financial asset at fair value - OCI	**-**	**22,955,000**	**-**	**-**	**22,955,000**
	P 17,211,263	**P 22,955,000**	**P -**	**P -**	**P 40,166,263**

	Neither past due nor impaired		Past due	Past due	
2018	High grade	Standard grade	but not impaired	and impaired	Total
Cash and cash equivalents*	P 12,610,016	P -	P -	P -	P 12,610,016
AFS securities	-	22,986,000	-	-	22,986,000
Trade receivable	-		305,286	-	305,286
Due from related parties	-	11,571,104	3,175,396	11,756,000	26,502,500
	P 12,610,016	P 34,557,104	P 3,480,682	P 11,756,000	P 62,403,802

** excludes cash on hand*

High grade cash and cash equivalents are short-term placements placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Market Risk

Market risk is the risk of change in fair value of financial instrument from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk represents what the Group would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

The Group manages market risk by evenly distributing capital among investment instruments in different financial institution.

Sensitivity analysis of market risk exposure follows:

Interest Rate Risk

The primary source of the Group's interest rates risk relates to debt instruments with floating interest rates disclosed in Note 18.

An estimate of 100 basis points increase or decrease is used in reporting interest rate changes on fair value of loans and represents management's assessment of the reasonable possible change in interest rates.

The effect on profit for the year is increase or decrease by nil in 2019 and P226,530 in 2018.

Price Risk

The Group's price risk exposure at year-end relates to financial asset whose value fluctuates as a result of changes in market price, principally, Investment in financial asset . Before taking into account the effect of taxes, equity as of March 31, 2019 and 2018 would either decrease or increase by P3,100 and P90,985, respectively, had the variable change by 10%. The impact on the Group's equity excludes the impact of transactions affecting profit or loss since financial instrument carried at fair value are classified as Investment in financial asset securities.

Capital Management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the dividends paid to shareholders or issue new shares.

The capital structure of the Group consists of issued share capital and additional paid-in capital.

The financial ratio at the year end, which is within the acceptable range of the Group, is as follows:

		2019		2018
Equity	**P**	**2,119,573,251**	P	2,131,344,722
Total assets		**3,487,998,425**		3,125,964,830
Ratio		**0.61**		0.68

8. Segment information

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are (i) Real estate development and (ii) Health care management.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

The segment information in the consolidated financial statements as of March 31, 2019, 2018 and 2017 follows:

	As of March 31, 2019				
	Real estate	Health and wellness	Corporate and others	Adjustment	Total
Revenues	P 16,638,312	P -	P 268,919	P -	P 16,907,231
Direct costs	5,424,683	-	-	-	5,424,683
Gross profit	11,213,629	-	268,919	-	11,482,548
Other income	5,696	1,044	10,867	-	17,607
	11,219,325	1,044	279,786	-	11,500,155
Administrative expenses	8,231,146	4,175,808	1,594,731	(130,189)	13,871,496
Equity in net loss of associate	-	-	3,627,846	-	3,627,846
Impairment loss	-	-	3,535,252	-	3,535,252
Finance cost	1,573,630	-	-	-	1,573,630
	9,804,776	4,175,808	8,757,829		22,608,224
Income before income tax expense	1,414,549	(4,174,764)	(8,478,043)	130,189	(11,108,069)
Income tax expense	447,129	-	185,428	-	632,557
Income	P 967,420	P (4,174,764)	P (8,663,471)	P 130,189	P (11,740,626)
Segment assets	P 2,472,509,414	P (14,520,780)	P 1,030,009,791	P -	P 3,487,998,425
Segment liabilities	794,937,280	6,187,220	567,300,674	-	1,368,425,174
Segment cash flows:					
Operating	8,853,862	(935,971)	(6,371,828)	-	1,546,063
Investing	(34,777,444)	1,004	(332,216,408)	-	(366,992,848)
Financing	(20,240,503)	-	390,278,535	-	370,038,032
Other information:				-	
Depreciation and amortization	1,626,199	3,567,008	-	-	5,193,207
Non-cash expenses other than depreciation	1,081,578	2,535,252	3,535,252	-	7,152,082

	As of March 31, 2018				
	Real estate	Health and wellness	Corporate and others	Adjustment	Total
Revenues	P 7,432,751	P 2,011,419	P 381,222	P -	P 9,825,392
Direct costs	870,842	3,698,680	-	-	4,569,522
Gross profit	6,561,909	(1,687,261)	381,222	-	5,255,870
Other income	455,892,747	6,011	131,283	-	456,030,041
	462,454,656	(1,681,250)	512,505	-	461,285,911
Administrative expenses	6,191,823	2,996,168	898,511	-	10,086,502
Equity in net loss of associate	-	-	1,740,265	-	1,740,265
Impairment loss	4,912,000	-	-		4,912,000
Finance cost	1,324,687	-	-	-	1,324,687
	12,428,510	2,996,168	2,638,776	-	18,063,454
Income before income tax expense	450,026,146	(4,677,418)	(2,126,271)	-	443,222,458
Income tax expense	134,874,601	71,263	-		134,945,864
Income	P 315,151,545	P (4,748,681)	P (2,126,271)	P -	P 308,276,594
Segment assets	P 2,776,298,346	P 18,171,156	P 331,495,328	P -	P 3,125,964,830
Segment liabilities	148,677,882	7,015,560	123,648,013	715,278,653	994,620,108
Segment cash flows:					
Operating	532,927	(1,195,181)	(718,234)	-	(1,380,488)
Investing	(2,788,750)	(207,643)	(46,241,453)	-	(49,237,846)
Financing	37,016,104	(1,062,389)	14,775,313	-	50,729,028
Other information:				-	
Depreciation and amortization	1,401,791	4,197,445	-	-	5,599,236
Non-cash expenses other than depreciation	4,300,373	(237,543)	-	-	4,062,830

	As of March 31, 2017				
	Real estate	Health and wellness	Corporate and others	Adjustment	Total
Revenues	P 8,606,701	P 7,711,236	P 346,847	P -	P 16,664,784
Direct costs	1,705,998	7,465,257	-	-	9,171,255
Other income	11,988	4,833	10,731,024	-	10,747,845
	6,912,691	250,812	11,077,871	-	18,241,374
Administrative expenses	7,473,383	2,074,273	3,629,882	-	13,177,538
Equity in net loss of associate	-	-	677,267	-	677,267
Finance cost	1,105,684	-	-	-	1,105,684
	8,579,067	2,074,273	4,307,149	-	14,960,489
Income before income tax expense	(1,666,376)	(1,823,461)	6,770,722	-	3,280,885
Income tax expense	173,578	3,695	-	-	177,273
Income	P (1,839,954)	P (1,827,156)	P 6,770,722	P -	P 3,103,612
Segment assets	P 2,234,174,520	P 25,404,739	P 446,095,215	P -	P 2,705,674,474
Segment liabilities	123,722,653	4,407,722	173,661,313	581,595,035	883,386,723
Segment cash flows:					
Operating	2,997,279	3,199,394	(2,574,800)	-	3,621,873
Investing	(457,618)	(535,714)	(21,778,344)	-	(22,771,676)
Financing	503,859	(3,903,396)	29,150,774	-	25,751,237
Other information:					
Depreciation and amortization	1,314,516	3,469,414	-	-	4,783,930
Non-cash expenses other than depreciation	658,722	15,376	1,277,433	-	1,951,531

Segment liabilities for each segment do not include the following:

		2019		2018
Deferred tax liabilities	**P**	**714,938,971**	P	714,704,957
Retirement liability		**655,274**		573,696
	P	**715,594,245**	P	715,278,653

9. Cash

The composition of this account as of March 31 is as follows:

		2019		2018
Cash in banks	**P**	**17,211,263**	P	12,610,016
Cash on hand		**-**		10,000
	P	**17,211,263**	P	12,620,016

Cash accounts with the banks generally earn interest at rates based on prevailing bank deposit rates.

10. Other Current Assets

The composition of this account as of March 31 is as follows:

		2019		2018
Creditable withholding taxes	**P**	**1,839,839**	P	1,862,185
Deposits		**1,664,160**		1,676,119
Input taxes		**2,044,717**		459,325
Prepaid taxes		**38,400**		-
Other receivable		**6,000**		-
	P	**5,593,116**	P	3,997,629

- Creditable withholding taxes represents the 5% tax withheld on rental. The same may be applied against future income tax liabilities. As of March 31, 2019 and 2018, creditable withholding taxes are considered recoverable in full and no impairment losses is necessary.

- Deposits are advance payment of rental that are expected to be applied within the next 12 months.

- Input taxes and Prepaid taxes represents the 12% tax on domestic purchases of goods and services from VAT registered entities. Input tax is applied against output taxes on a monthly basis.

- Other receivable are expenses on the common area of Summit One Tower paid by the Group. These receivables are not subject to interest.

11. Non-Current Assets Held for Sale

The movements of this account is as follows:

		2019		2018
Balance at the beginning of the year	P	**42,100,683**	P	42,100,683
Asset sold during he year		**(4,275,078)**		-
Reclassification		**(19,347,749)**		-
Balance at the end of the year	P	**18,477,856**	P	42,100,683

In 2012, the Company entered into a various contracts to sell for the sale of its investment properties. Payments are to be made in equal monthly installments over a period of 10 years. These are recorded as "*Non-current Asset held for sale"* since management believes that with the cumulative payments to date, it is reasonably expected that the remaining balance will be faithfully completed by the buyer.

Consistent with the reclassification of the investment properties, the related liabilities of the assets held for sale were also reclassified to current liabilities amounting to P21,945,941 and P43,452,774 as of March 31, 2019 and 2018, respectively. These liabilities comprise the payments made by the other party in the aforesaid contracts to sell.

In 2017 until 2018, the buyer repeatedly failed to fulfill its commitments in accordance with the contract to sell. Accordingly, on January 15, 2019, after a final demand was still fruitless, the Company, through its legal counsel, informed the buyer that the aforementioned contracts to sell are rescinded and cancelled. The payments made by the buyer amounting to P15 million are deemed forfeited in favor of the seller. On the same date, the Company reclassified the related assets and liabilities previously classified as held for sale. The Company believes that negotiations are still open regarding the payments made hence the same was reported as part of "Deposits" in the statement of financial position.

During 2018, the company completed the sale of an investment property amounting to P4.3 million. The same was sold for P5.7 million as reported in the statement of income.

12. Financial Asset at Fair Value Through Other Comprehensive Income/Available-for-Sale Securities

The composition of this account as of March 31 is as follows:

		Financial at FVOCI - 2019		Available-for-sale securities - 2018
Listed shares of stocks	P	**1,271,000**	P	1,302,000
Unlisted shares of stocks		**21,684,000**		21,684,000
	P	**22,955,000**	P	22,986,000

(see Note 4 on adoption of PFRS 9)

Listed and unlisted shares comprise the investment in Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair values were determined thru the published price from Philippine Stock Exchange.

During 2017, the Group sold 11,060,459 TBGI shares amounting to P19.8 million to UMI. Such sale resulted to a gain on sale amounting to P10.7 million reported in the consolidated statement of income.

The reconciliation of the carrying amounts of this account at the beginning and end of the fiscal year is as follows:

		2019		2018
Balance at the beginning of fiscal year	**P**	**22,986,000**	P	22,201,700
Changes in fair value		**(31,000)**		784,300
Balance at the end of fiscal year	**P**	**22,955,000**	P	22,986,000

(see Note 4 on adoption of PFRS 9)

Changes in fair value were reported separately in the statement of comprehensive income, net of deferred income tax.

13. Investments in Associates - net

This account consists of the following:

		2019		2018
Cost				
Beginning of the year				
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P**	**331,425,000**	P	336,425,000
Mariestad Mining Corporation (MMC)		**11,306,000**		11,306,000
		342,731,000		347,731,000
Additions during the year (ATN Solar)		**358,655,120**		-
Disposal during the year (ATN Solar)		**-**		(5,000,000)
Balance at year end		**701,386,120**		338,425,000
Equity in net losses (ATN Solar)				
Beginning		**(8,244,798)**		(6,504,534)
Current year		**(3,627,846)**		(1,740,264)
Ending		**(11,872,644)**		(8,244,798)
Total		**689,513,476**		330,180,202
Allowance for impairment losses		**(11,306,000)**		(11,306,000)
	P	**678,207,476**	P	323,180,202

ATN Solar

ATN Solar is a grantee of a 25-year Renewable Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore, develop, and utilize the solar energy source within Rodriguez, Rizal, as its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Project*). The project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

The following events transpired during 2018 involving the solar project of ATN Solar.

- Significant completion of pre-construction activities;
- Interconnection and negotiation for power supply agreement with Manila Electric Company;
- Registration of ATN Solar's project site as Special Economic Zone with the Philippine Economic Zone Authority

In the of process setting up the foundation, PV mounting frames and modules and other land developments, the Company have identified the quality of rocks and boulders at the project site to be of commercial use. Hence, a Rock Crusher Project was introduced. This involves the construction of rock crushing plant which will process armor rocks and crushed basalt aggregates. As of December 31, 2018, the rock crusher processing plant have been completed and the trial-run of production of aggregates has commenced with production cost of P68.5 million at year-end.

As of March 31, 2019, the Parent Company beneficially owns 48.44% of ATN Solar and it exercises significant influence over the financial and operating matters of the associate. On November 15, 2018 the Parent company subscribed to additional 358,655,120 shares of ATN Solar at P1 par value per share. As of March 31, 2019, P351,869,120 have been paid by the parent company. As of June 30, 2019, P32 million additional payment made. Accordingly, the shares of stock covering the additional subscription have not been issued by ATN Solar.

The latest financial information of ATN Solar is as follows:

	December 31,			
		2018		2017
Current assets	**P**	**21,178,754**	P	41,485,929
Non-current assets		**1,476,378,726**		858,514,077
Current liabilities		**74,657,758**		13,162,655
Non-current liabilities		**747,452,388**		203,900,656
Equity	**P**	**675,447,334**	P	682,936,694
Carrying value of investment in ATN Solar	**P**	**678,207,476**	P	323,197,498
Net administrative expense	**P**	**7,489,360**	P	3,675,321
Group's share in net administrative expense	**P**	**3,627,846**	P	1,740,265

ATN Solar's accounting period is January 1 to December 31.

MMC
In 2007, the Group entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Group's participation is in the form of providing financial resources to undertake the mining operations. The Group has financed a total of P7 million that is equivalent to 25% equity interest in MMC. Due to the non-commencement of mining operation, the Group provided a full impairment loss on its investment in MMC. Furthermore, no financial information is available for MMC for the last 6 years.

14. Investment Properties

The composition of this account as of March 31 is as follows:

		2019		2018
Land	**P**	**2,391,304,795**	P	2,345,083,528
Condominium units		**278,393,564**		240,924,710
Parking lots		**26,350,000**		44,470,960
Townhouses		**22,953,001**		44,159,574
Commercial building		**6,368,000**		6,368,000
	P	**2,725,369,360**	P	2,681,006,772

Investment properties consist of land, condominium units, parking lots, townhouses and commercial building. The movement of this account is as follows:

		2019		2018
Balance at the beginning of the year	**P**	**2,681,006,772**	P	2,231,661,996
Change in fair value arising from appraisal		**-**		440,960,528
Additions during the year		**25,014,839**		3,899,248
Reclassifications		**19,347,749**		4,485,000
	P	**2,725,369,360**	P	2,681,006,772

Additions during 2019 and 2018 represent various land improvements.

Real estate inventories amounting P4,485,000 as of March 31,2016 represents the cost of lot and housing units of PLDI and AHCDC. During 2017, these companies have ceased to actively sell the housing units and accordingly reclassified to Investment properties in 2018.

On April 2, 2018 certain investment properties situated in Mandaluyong and Rodriguez, Rizal were re-appraised to properly reflect its fair market value. The appraisal resulted to an increase in value of investment amounting to P420.22 million. The fair market value is determined by a firm of independent appraiser on April 2, 2018 using the Market approach. In this approach, the value of the land was based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. Accordingly, the Company categorized these condominium units under Level 2 of the fair value hierarchy.

Commercial building situated at San Fernando, Pampanga has been re-appraised to properly reflect its fair market value. The investment property has a sound value of P6.638 million based on its depreciated appraisal value and as a result of valuation, the Company recognized an impairment loss amounting to P4.912 million reported in the Consolidated Statements of Income. The valuation method used in determining the appraised value of this property is Cost Approach, a comparative approach based on the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

Townhouses located at Riverside Village, Pasig City were re-appraised to properly reflect its fair market value. The appraisal resulted to an increase in value of investment amounting to P25.65 million. The fair market value of the townhouses was arrived using the Market approach. In this approach, the value of the townhouse units was based on sales and listings of comparable property registered within vicinity. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by establishing the differences between the subject property and those actual sales and listings regarded as comparable.

The description of valuation techniques and inputs used in determining the fair value of investment properties in fair value hierarchy is as follows:

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range
Riverside Village	Townhouses	Market approach	Selling price (per square meter)	Level 3	P22,500 - P36,333
			Size		5.0%
			Location		-5% to -10%
			Improvements		-25% to -35%
Summit One Tower	Parking lots	Market approach	Selling price (per square meter)	Level 2	P61,818 - P82,926
			Size		5%
			Location		-5%
			Improvements		-
	Condominium units	Market approach	Selling price (per square meter)	Level 2	P61,864 - P64,937
			Size		5%
			Location		-5%
			Improvements		10% to 15%
Rodriguez, Rizal	Land	Market approach	Selling price (per square meter)	Level 2	P665 - P1,127
			Size		-10% to -15%
			Location		-5% to -20%
			Potential use		5% to 10%
			Development		15%
San Fernando, Pampanga	Land	Market approach	Selling price (per square meter)	Level 2	P14,250 - P18,000
			Size		-5% to -20%
			Location		-5%
			Potential use		10%
			Thru lot		5%
	Commercial building	Cost approach	Condition of the building	Level 3	P6,368,000

Rental income on investment properties amounted to P11,158,278 in 2019, P7,813,973 in 2018 and P8,239,26 in 2017. Direct operating cost on these properties amounted to P518,871 in 2019, P769,305 in 2018 and P970,998 in 2017.

Certain investment property were mortgaged to the bank to secure the Group's financing requirements (see Note 18).

15. Property and Equipment

Property and equipment consists of:

2019		**Equipment & Fixtures**		**Furniture & Fixtures**		**Leasehold Improvements**		**Transportation Equipment**		**Total**
Costs										
At April 1, 2018	**P**	**34,937,452**	**P**	**6,138,644**	**P**	**19,969,173**	**P**	**3,988,393**	**P**	**65,033,662**
Addition		**-**		**-**		**-**		**3,891,071**		**3,891,071**
At March 31, 2019		**34,937,452**		**6,138,644**		**19,969,173**		**7,879,464**		**68,924,733**
Accumulated depreciation and Impairment loss										
At April 1, 2018		**21,896,231**		**6,018,344**		**16,266,346**		**1,680,999**		**45,861,920**
Provisions for depreciation		**1,805,763**		**35,805**		**1,920,877**		**580,762**		**4,343,207**
Provision for impairment loss		**2,247,092**		**-**		**132,506**		**155,654**		**2,535,252**
At March 31, 2019		**25,949,086**		**6,054,149**		**18,319,729**		**2,417,415**		**52,740,379**
Carrying value										
At March 31, 2019	**P**	**8,988,366**	**P**	**84,495**	**P**	**1,649,444**	**P**	**5,462,049**	**P**	**16,184,354**

2018		Medical Equipment & Fixtures		Office Furniture & Fixtures		Leasehold Improvements		Transportation Equipment		Total
Costs										
At April 1, 2017	P	34,729,809	P	6,138,644	P	19,969,173	P	2,641,072	P	63,478,698
Addition		207,643		-		-		1,347,321		1,554,964
At March 31, 2018		34,937,452		6,138,644		19,969,173		3,988,393		65,033,662
Accumulated depreciation										
At April 1, 2017		20,090,468		5,352,104		14,345,469		1,324,643		41,112,684
Provisions		1,805,763		666,240		1,920,877		356,356		4,749,236
At March 31, 2018		21,896,231		6,018,344		16,266,346		1,680,999		45,861,920
Carrying value										
At March 31, 2018	P	13,041,221	P	120,300	P	3,702,827	P	2,307,394	P	19,171,742

Depreciation allocated to direct costs and administrative expenses are as follows:

		2019		2018
Direct costs	**P**	**1,805,763**	P	1,805,763
Administrative expenses		**2,537,444**		2,943,473
	P	**4,343,207**	P	4,749,236

16. Intangible Asset

Intangible asset represents the cost of web-based portal development of a subsidiary for the marketing of its medical services to local and international clients. The portal enables its subsidiary to attract prospective patients availing different medical services. Management believes that the use of portal is limited to 16-20 years since the medical industry continues to change and the portal needs to be updated as patients' medical/health/wellness requirements changes.

The movement in intangible asset is as follows:

		2019		2018		2017
Cost	**P**	**15,000,000**	P	15,000,000	P	15,000,000
Accumulated amortization and Impairment loss						
Balance, April 1		**9,150,000**		8,300,000		7,450,000
Provisions for amortization		**850,000**		850,000		850,000
Provision for impairment loss		**1,000,000**				
Balance, March 31		**11,000,000**		9,150,000		8,300,000
Carrying value at March 31	**P**	**4,000,000**	P	5,850,000	P	6,700,000

The amortization allocated to direct costs and administrative expenses are as follows:

		2019		2018		2017
Direct costs	**P**	**350,000**	P	350,000	P	350,000
Administrative expenses		**500,000**		500,000		500,000
	P	**850,000**	P	850,000	P	850,000

17. Accounts Payable and Accrued Expenses

This account consists of the following:

	2019	2018
Taxes payable	**P 2,985,000**	P 2,985,000
Trade	**1,158,019**	894,138
Accrued expenses	**9,520**	12,460
Others	**324,584**	194,264
	P 4,477,123	P 4,085,862

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are noninterest-bearing and are normally settled on a 90-day term;
- Accrued expenses are noninterest-bearing and have an average term of two (2) months;
- Tax payable pertains to the aggregate amount of taxes payable on sale of unlisted shares;
- Other current liabilities are non-interest bearing and have a maximum term of six (6) months.

18. Interest-bearing Loans

This account consists of borrowings of PLDI as follows:

	2019	2018
China Banking Corporation (CBC)	**P 21,900,000**	P 20,000,000
United Coconut Planters Bank (UCPB)	**2,749,490**	-
Rizal Commercial Banking Corporation (RCBC)	**-**	23,102,212
	24,649,490	43,102,212
Less: Current portion	**22,857,352**	43,102,212
Non-current portion	**P 1,792,138**	P -

<u>CBC</u>
PLDI has an existing combined peso credit line of up to P40.4 with CBC. As March 31, 2019 and 2018, PLDI have availed a total of P21.9 million and P20 million respectively. These loans carries interest rate 6.5% repriced every 6 months to 1 year. The loan is collateralized by a real estate mortgage covering PLDI's investment properties. Proceeds of loan was used for working capital requirements. These loans will mature in 2019.

UCPB
On August 10, 2018, the Company availed the auto loan facility of UCPB amounting to P3.05 million payable in 36 months subject to interest rate of 9.92%. The loan is collateralized by a chattel mortgage on transportation equipment acquired. As of March 31, 2019, the loan has an outstanding balance of P2.52 million.

Future minimum lease payments under the said finance lease and the present value of the net minimum lease payments are as follows:

Lease payments due in:		
Less than one year	P	1,159,032
More than one year		1,641,962
Total future minimum lease payments		2,800,994
Less: Amount representing interest		283,117
Present value of future minimum lease payments		2,517,877
Current Portion		978,331
Non-current Portion	P	1,539,546

Transportation equipment subject to finance lease have carrying values of P3,666,665 as of March 31, 2019

RCBC
Loan from RCBC which is denominated in Japanese Yen, was availed in August 2016 for working capital requirements. The loan is for a period of 2 years, subject to 3% interest per annum and collateralized by real estate mortgage owned by PLDI. Total principal amounted to ¥52.2 million or P22.2 million.

Loans from RCBC is subject to a hedging agreement with UMI under the following conditions:
- PLDI will pay UMI the amount of P150,000 per year to hedge the ¥52 million loan from foreign currency changes;
- Reckoning date of foreign currency loss shall be December 31, every year;
- Any book losses at the end of each fiscal year shall be for the account of UMI

As of March 31, 2019 and 2018, foreign currency losses incurred related to translating the RCBC JP Yen loans amounted to nil and P1,112,540, respectively, were charged to UMI (See notes 25) in accordance with the hedging agreement.

Financing charges related to these loans amounted to P1,573,630 in 2019, P1,324,687 in 2018 and P1,105,684 in 2017.

RCBC loan was fully paid during 2018.

19. Deposits

This account represents deposit on operating leases which is made in compliance with the existing leasing agreement with the lessee. The amount is refundable at the expiration of lease contracts. Reclassification from Non-current liability of non-current asset held for sale amounting P15,068,006 was made due to rescinded and cancelled contract to sell as discussed in Note 11.

As of March 31, 2019 and 2018, deposits on operating leases amounted to P21,152,981 and P5,129,253, respectively.

20. Subscription Payable

The movement of this account is as follows:

		2019		2018
Balance at the beginning of the year	**P**	**80,195,240**	P	156,943,700
Subscription during the year		**358,655,120**		-
Payments during the year		**(351,868,760)**		(76,748,460)
Balance at the end of the year	**P**	**86,981,600**	P	80,195,240

This represents subscription to the Capital stock of ATN Solar (see Note 11). Subscriptions are payable on demand or each capital call of ATN Solar. These funds are used by ATN Solar principally for capital expenditures and pre-operating expenses of the solar energy project.

The details of subscription are as follows:

- On March 14, 2017 the Company subscribed for 160.8 million shares of ATN Solar at P1 par value per share. This was fully paid during 2019.

- On November 15, 2018, the Company subscribed to 358,655,120 shares of ATN Solar at P1 par value per share, of which P271,648,470 have been paid (i) thru conversion of advances and (ii) in cash.

As of July 12, 2019 additional payment of P32 million, have been received as payment for 2018 subscription

21. Equity

Share capital
Component of share capital is as follows:

	Authorized share capital			Subscribed and paid		
Title of issue	Number of shares		Amount	Number of shares		Amount
Common						
Class A	4,200,000,000	P	420,000,000	3,700,000,000	P	370,000,000
Class B	2,800,000,000		280,000,000	800,000,000		80,000,000
Preferred	5,000,000,000		500,000,000	-		-
	12,000,000,000	P	1,200,000,000	4,500,000,000	P	450,000,000

These amendments were approved by the SEC on June 30, 2016.

In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

- Class “A” common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.

- Class “B” common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.

- Preferred shares have the following features, rights and privileges:
  (i) Preferred shares are cumulative, non-participating and non-voting;
  (ii) The dividend rate is based on a formula determined by the BOD, re-prized every 5 years, 7 years, or 10 years
  (iii) The dividend is payable quarterly on each anniversary of issue date
  (iv) Holders of preferred shares have preference over holders of common shares;
  (v) Mandatory redemption on the 5th, 7th and 10th year anniversary from issuance.

Unrealized loss on fair value through other comprehensive income/Available-for-sale securities
The movement of this account is as follows:

		2019		2018
Balance at beginning of year	**P**	**(1,423,973)**	P	(2,204,351)
Changes in fair value - net of deferred tax		**(30,845)**		780,378
Balance at the end of year	**P**	**(1,454,818)**	P	(1,423,973)

22. Cost of Sales and Services

The breakdown of this account is as follows:

		2019		2018		2017
Cost of real estate sold	**P**	**4,905,812**	P	-	P	735,000
Depreciation and amortization (see Notes 15 and 16)		**2,155,763**		2,155,763		2,155,763
Taxes and licenses		**518,871**		769,305		970,998
Rent (see Note 28)		**-**		1,000,326		1,037,441
Medical supplies		**-**		271,337		1,201,737
Salaries, wages and employee benefits		**-**		200,254		1,190,117
Insurance		**-**		101,537		-
Professional fees		**-**		71,000		343,905
Utilities		**-**		-		1,536,294
	P	**7,580,446**	P	4,569,522	P	9,171,255

23. Administrative Expenses

The breakdown of this account is as follows:

		2019		2018		2017
Depreciation and amortization (see Notes 15 and 16)	**P**	**3,037,444**	P	3,443,475	P	2,628,167
Salaries and employee benefits (see Note 24)		**2,373,476**		1,322,207		1,390,891
Communication and association dues		**1,828,851**		2,487,264		1,787,085
Taxes and licenses		**1,372,208**		448,943		2,901,075
Rent (see Note 28)		**782,105**		567,414		558,756
Professional fees		**645,000**		550,982		802,354
Security and janitorial services		**557,674**		624,600		742,138
Transportation and travel		**302,459**		280,973		255,128
Office supplies and printing		**261,681**		132,000		421,872
Insurance		**200,396**		-		-
Hedging fee		**150,000**		150,000		150,000
Advertsing		**20,375**				
Representation and entertainment		**82,539**		-		-
Impairment loss on non-current assets held for sale (see Note 11)		**-**		-		1,230,901
Miscellaneous		**101,525**		78,644		309,171
	P	**11,715,733**	P	10,086,502	P	13,177,538

Pursuant to a *Teaming Agreement* executed in January 2013, a 75%-25% cost sharing of cost/expenses related to technical operations was implemented. All other cost including, but not limited to salaries and utilities shall be borne solely by Palladian Land Development, Inc.

Salaries and other employee benefits account includes salaries, wages and retirement benefits of the employees.

24. Salary and Employee Benefits

This account consist of the following:

		2019		2018		2017
Salaries and wages	**P**	**2,291,898**	P	1,451,376	P	1,340,939
Provision for retirement		**81,578**		108,373		49,952
Change in actuarial valuation		**-**		(237,542)		-
	P	**2,373,476**	P	1,322,207	P	1,390,891

The Group provides for retirement benefits costs required to be paid under RA 7641 (the Act) otherwise known as *Retirement Pay Law*. The Act provides for retirement benefits to employees reaching the age of 60 who have rendered at least five (5) years of service to the Group. Benefits accruing to employee are computed as the sum of (i) one half month of salary for every year of service, (ii) one-twelfth of 13th month pay and (iii) the cash equivalent of not more than five (5) days of service incentive leaves.

The movement of this account is as follows:

		2019		2018
Balance at the beginning of the year	**P**	**573,697**	P	702,866
Provision for retirement		**81,578**		108,373
Change in actuarial valuation		**-**		(237,542)
	P	**655,275**	P	573,697

25. Related Party Transactions

The Company's related parties and its relationship are as follows:

Related party	Relationship
Unipage Management, Inc. (UMI)	Affiliated company
Transpacific Broadband Group Int'l, Inc. (TBGI)	Affiliated company
Sierra Madre Consolidated Mines, Inc. (SMCM)	Affiliated company
ATN Philippines Solar Energy Group, Inc. (ATN Solar)	Associate
Certain shareholders	Key management officers

Transactions, year-end balances and terms and conditions with related parties are as follows:

(i) Due from related parties

Related party	Transaction	Amount of transactions 2019	Amount of transactions 2018	Year-end balances 2019	Year-end balances 2018	Terms and conditions
UMI	(i) Net payment of advances	**P (15,649,757)**	P (30,474,122)	**P -**	P 13,843,802	Unsecured, non-interest bearing, and no fixed payment terms
	(iii) Sales of investment in associates (see Note 14)	**-**	15,000,000			
	(v) Net effect of hedging transaction	**1,805,955**	962,540			
SMCM		**-**	-	**11,756,000**	11,756,000	Unsecured, non-interest bearing, and no fixed payment terms; impaired
TBGI		**(295,219)**	2,504,620.27	**-**	295,219	Unsecured, non-interest bearing, and no fixed payment terms; impaired
ATN Solar	Teaming agreement	**(607,479)**	333,539	**-**	607,479	On-demand
				11,756,000	26,502,500	
Allowance for impairment				**11,756,000**	11,756,000	
Net due from related parties				**P -**	P 14,746,500	

(ii) Due to related parties

Related party	Transaction	Amount of transactions 2019	Amount of transactions 2018	Year-end balances 2019	Year-end balances 2018	Terms and conditions
TBGI	Availment of advances	**P 2,684,723**	P -	**P 1,100,664**	P -	No payment terms, unsecured
	Payments during the year	**(1,584,059)**	-			
ATN Solar	Advances	**68,096,648**	3,333,539	**34,383,059**	1,152,747	No payment terms, unsecured
	Payments during the year	**(34,866,336)**	-			
Shareholders	Net availment/ (payment) of advances	**355,916,704**	(28,500,000)	**458,140,071**	102,223,367	No payment terms, unsecured
				P 493,623,794	P 103,376,114	

Significant transaction with related parties are as follows:

1. In 2018, the Company sold 5 million shares of stocks of ATN Solar to UMI for P15 million. A gain of P10 million was realized on this transaction and is reported in the Statement of Income in the same year. The transaction price, which management believes is at arms-length. Settlement was made via off-setting of inter-company balances.

2. As discussed in Note 18, the Group and UMI are parties to a *Hedging Agreement* covering the former's foreign currency loans. The net effect of the foreign exchange differences in translating to Peso and hedging fee were accounted for as related party transaction as follows:

		2019		2018
Net foreign currency loss translating foreign currency loans	**P**	**1,955,955**	P	1,112,540
Transaction fee on hedging		**(150,000)**		(150,000)
	P	**1,805,955**	P	962,540

3. During 2018, the Company's cash requirements are provided by UMI totaling P13.84 million. These advances are not subject to interest and was fully paid in 2019.

4. In prior years, the Group made advances to SMCM to fund its mining activities. Such advances will be converted into equity interest in SMCM when mining operations commence. Due to unforeseen circumstances, SMCM encountered financial difficulties and were unable to operate and generate revenues and cash flows. Accordingly, the Group provided a full impairment loss on its advances to SMCM in 2014 amounting to P11.7 million.

5. The Group and TBGI are parties to a Teaming Agreement executed in January 2013. Pursuant thereto, sharing of cost and expenses incurred within Summit One Condominium. Tower related to technical operations is to be advanced by either of the parties and to be reimbursed from the other parties proportionately or by actual usage as the case maybe.

6. For the years ended March 31, 2019, 2018, and 2017, the Group charged TBGI its proportionate share of communication, dues and utilities expenses amounting to P238,072, P1,116,709 and P968,110, respectively.

   In the same manner, the Group charged ATN Solar the following expenses:

		2019		2018		2017
Salaries and wages	**P**	**194,379**	P	214,500	P	216,000
Employees' welfare and benefits		**43,693**		74,757		70,711
Legal services		**-**		40,000		40,000
Office supplies		**-**		4,360		29,548
Management fees		**-**		333,617		175,000
	P	**238,072**	P	667,234	P	531,259

7. The details of subsidiaries' accounts that were eliminated in the process of consolidation are as follows:

	Advances to (from) subsidiaries					
		2019		2018		2017
PLDI	**P**	**21,040,729**	P	(60,328,401)	P	(50,185,273)
MCPI		**7,242,328**		6,942,328		11,942,328
AHCDC		**10,768,677**		10,768,677		10,768,677
	P	**39,051,734**	P	(42,617,396)	P	(27,474,268)

The Group did not recognize any key management compensation nor provided any stock options and bonuses for the fiscal years ended March 31, 2019, 2018 and 2017.

26. Income Taxes

Components of income tax reported in the consolidated statements of income are as follows:

		2019		2018		2017
Current	**P**	**452,507**	P	1,174,644	P	170,220
Deferred		**180,050**		133,771,220		7,053
	P	**632,557**	P	134,945,864	P	177,273

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense is as follows:

		2019		**2018**		2017
Statutory income tax	**P**	**(2,271,845)**	P	132,966,737	P	984,265
Tax effect of:						
Non- taxable income		**-**		(133,801,143)		-
Non-deductible expenses		**1,156,729**		2,028,491		211,191
Unrecognized temporary difference		**1,752,955**		136,759,648		2,204,998
Income subject to final tax		**(5,282)**		(3,007,869)		(3,223,181)
Actual provision for income tax	**P**	**632,557**	P	134,945,864	P	177,273

The component of the Group's net deferred income tax liabilities is as follows:

		2019		2018
Unrealized gain on fair value adjustment of investment properties	**P**	**713,119,380**	P	713,075,254
Unrealized gain on AFS financial assets		**2,169,755**		2,169,910
Unrealized foreign exchange gain		**-**		1,172
Impairment loss on non-current assets held for sale		**-**		(369,270)
Retirement liability		**(350,164)**		(130,763)
	P	**714,938,971**	P	714,704,957

Except for the related deferred tax liability on available-for-sale, investment listed on Philippine Stock Exchange, financial assets which are stated at ½ of 1% stock transaction, all other deferred tax liabilities are stated at 30% income tax rate.

The Group did not recognize any deferred tax assets as at March 31, 2019 and 2018 on impairment losses, net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

		2019		2018
Allowance for impairment losses	**P**	**6,878,638**	P	5,818,062
Net Operating Loss Carry Over (NOLCO)		**4,832,628**		3,476,177
Minimum Corporate Income Tax (MCIT)		**265,730**		266,027
	P	**11,976,996**	P	9,560,266

Components of the Group's unutilized NOLCO and MCIT and the year until which these are deductible from taxable income are as follows:

		Original amounts	
Year incurred	Expiry	NOLCO	MCIT
2019	2022	**P 5,355,278**	**P 5,378**
2018	2021	**6,283,488**	**105,117**
2017	2020	**4,469,995**	**155,235**
		P 16,108,761	**P 265,730**

NOLCO and MCIT incurred in 2016 amounting to P886,774 and P5,675, respectively, expired in 2019 without any benefit therefrom.

27. Earnings (Loss) per Share

Earnings per share is computed by dividing the income for the period by the weighted average number of common shares as follows:

	2019	2018	2017
Earnings (A)	**P (11,740,626)**	P 308,276,593	P 3,103,612
Divided by:			
Weighted Average Shares (B)	**4,500,000,000**	4,500,000,000	4,500,000,000
Earnings (Loss) per share (A/B)	**P (0.00261)**	P 0.02999	P 0.00069

As of the respective year ends, there are no potentially convertible shares.

28. Other Significant Matters

Operating leases – Group as a lessee
Certain subsidiary is a party to lease contract covering office spaces. These lease is for a period of 6 years subject to renewal on mutual agreement of both parties. Among others, the lease terms consists of the following:

1. Lease is payable monthly and is subject to 2% penalty for rental in arrears;
2. Annual lease is subject to an escalation of 5% on the 3rd year and another 5% on 5th year.
3. One (1) month advance rental and two (2) months security deposit is required at the inception of the lease agreement. Security deposit is refundable at the end of lease term.

Rent expense recognized in the consolidated statement of income is as follows:

	2019	2018
Direct cost	**P -**	P 1,000,326
Administrative expense	**782,105**	558,756
	P 782,105	P 1,559,082

Future minimum lease payments to these lease contracts are as follows:

	2019	2018
within 12 months	**P 404,889**	P 1,338,240
more than 12 months but less than 5 years	**850,266**	4,239,283
	P 1,255,154	P 5,577,523

Operating leases – Group as a lessor

As discussed in Note 14, certain investment properties are leased to third parties at a mutually agreed terms and conditions for a period of 1 year subject to renewal upon mutual agreement of both parties.

Non-cash investing and financing activities

	2019	2018
Cash flows from investing/financing activities		
Fair value changes in:		
AFS securities	**-**	784,300
Financial assets at fair value through OCI	**(30,845)**	-
Reclassification of AFS securities to		
Financial assets at fair value through OCI (see Note 4)	**22,986,000**	-
Increase in investment properties as a result of appraisal	**-**	17,050,000
Conversion of advances from stockholders as payment		
of subscription to an associate	**270,802,970**	-

R. R. TAN & ASSOCIATES, CPAs

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e-mail : info@rrtan.net

PRC-BOA Reg. No. 0132, valid until December 31, 2021
SEC Accreditation No.0220-FR-2, valid until March 27, 2020
BIR Accreditation No. 07-001080-002-2016, valid until October 3, 2019

Independent Auditors' Report on Supplementary Schedules

The Stockholders and Board of Directors
ATN HOLDINGS, INC. AND SUBSIDIARIES
9TH Floor, Summit Tower
530 Shaw Blvd., Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **ATN HOLDINGS, INC. AND SUBSIDIARIES** (the Group) as at March 31, 2019 and 2018 and for each of the three years in the period ended March 31, 2019, included in this Form 17-A, and have issued our report thereon dated July 12, 2019. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

R.R.TAN AND ASSOCIATES, CPAs

By: **CHESTER NIMITZ F. SALVADOR**
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 5174718, January 12, 2019, Pasig City
SEC Accreditation No. 1608-A, valid until January 26, 2020
BIR Accreditation No. 07-000251-003-2019, valid until June 13, 2022

July 12, 2019
Pasig City

ATN HOLDINGS, INC. AND SUBSIDIARIES
Index to Supplementary Schedules
Under SEC Rule 68, As Amended (2011)
March 31, 2019

Table of Contents

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule I - Tabular Schedule of All Effective Standards and Interpretations Pursuant to SRC Rule 68, as Amended
March 31, 2019

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2019		Adopted	Not adopted	Not applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		x		
PFRS's Practice Statement Management Commentary				x
Philippine Financial Reporting Standards				
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards			x
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary; Jointly Controlled Entity or Associate			x
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			x
	Amendments to PFRS 1: Limited Exemptions from Comparative PFRS 7 Disclosures for First-time Adopters			x
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			x
	Amendments to PFRS 1: Government Loans			x
	Annual Improvements (2009-2011 Cycle): Repeated Application of PFRS 1			x
	Annual Improvements (2009-2011 Cycle): First-time adoption of PFRS - Borrowing Cost			x
	Annual Improvements (2001-2013 Cycle): First-time adoption of PFRS - Meaning of Effective PFRS			x
	Annual Improvements (2014-2016 Cycle): First-time adoption of PFRS - Deletion of Short-term Exemptions for First-time Adopters	Not early adopted		
PFRS 2	Share-based Payment			x
	Amendments to PFRS 2: Vesting Conditions and Cancellations			x
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			x
	Annual Improvements (2010-2012 Cycle): Definition of Vesting Condition			x
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions	Not early adopted		
PFRS 3	Business Combinations			x
	Annual Improvements (2010-2012 Cycle): Accounting for Contingent Consideration in a Business Combination			x
	Annual Improvements (2011-2013 Cycle): Scope Exceptions for Joint Arrangements			x
PFRS 4	Insurance Contracts			x
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
	Amendments to PFRS 4: Applying PFRS 9 'Financial Instrument' with PFRS 4 'Insurance Contracts'	Not early adopted		
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	x		
	Annual Improvements (2012-2014 Cycle): Changes in Methods of Disposal	x		
PFRS 6	Exploration for and Evaluation of Mineral Resources			x
PFRS 7	Financial Instruments: Disclosures	x		
	Amendments to PFRS 7: Transition	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to PFRS 7: Improving Disclosures About Financial Instruments	x		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	x		
	Amendments to PFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	x		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	x		
	Annual Improvements (2012-2014 Cycle): Servicing Contracts			x
	Annual Improvements (2012-2014 Cycle): Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			x
PFRS 8	Operating Segments	x		
	Annual Improvements (2010-2012 Cycle): Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets			x
PFRS 9	Financial Instruments	x		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	x		
	Amendments to PFRS 9: Financial Instruments - Classification and Measurement	x		
	Amendments to PFRS 9: Prepayment Features with Negative Compensation			x

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2019		Adopted	Not adopted	Not applicable
PFRS 10	Consolidated Financial Statements	x		
	Amendments to PFRS 10: Investment Entities			x
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities - Applying the Consolidation Exception			x
	Amendments to PFRS 10: Consolidated Financial Statements and PAS 28: Investments in Associates and Joint Ventures - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture		Not early adopted	
PFRS 11	Joint Arrangements			x
	Amendments to PFRS 11: Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations			x
PFRS 12	Disclosure of Interest in Other Entities	x		
	Amendments for Investment Entities			x
	Amendments to PFRS 12: Investment Entities - Applying the Consolidation Exception			x
	Annual Improvements (2014-2016 Cycle): Clarification of the Scope of the Standard			x
PFRS 13	Fair Value Measurement	x		
	Annual Improvements (2010-2012 Cycle): Short-term Receivables and Payables	x		
	Annual Improvements (2011-2013 Cycle): Portfolio Exceptions			x
PFRS 14	Regulatory Deferral Accounts			x
PFRS 15	Revenue from Contracts with Customers	x		
	Amendments to PFRS 15: Clarifications to PFRS 15		Not early adopted	
PFRS 16	Leases		Not early adopted	
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	x		
	Amendment to PAS 1: Capital Disclosures	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendments to PAS 32 and PAS 1: Presentation of Items of Other Comprehensive Income	x		
	Annual Improvements (2009-2011 Cycle): Clarification of the Requirements for Comparative Presentation	x		
	Amendments to PAS 1: Disclosure Initiative	x		
PAS 2	Inventories			x
PAS 7	Statement of Cash Flows	x		
	Amendments to PAS 7: Disclosure Initiative	x		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	x		
PAS 10	Events After the Reporting Period	x		
PAS 11	Construction Contracts			x
PAS 12	Income Taxes	x		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	x		
	Amendment to PAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	x		
PAS 16	Property, Plant and Equipment	x		
	Annual Improvements (2009-2011 Cycle): Classification of Servicing Equipment	x		
	Annual Improvements (2010-2012 Cycle): Revaluation Method - Proportionate Restatement of Accumulated Depreciation	x		
	Amendments to PAS 16: Property, Plant and Equipment and PAS 38: Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization	x		
	Amendments to PAS 16: Property, Plant and Equipment and PAS 41: Agriculture - Bearer Plants			x
PAS 17	Leases	x		
PAS 19 (Amended)	Employee benefits	x		
	Amendments to PAS 19: Defined Benefit Plans: Employee Contributions			x
	Annual Improvements (2012-2014 Cycle): Regional Market Issue Regarding Discount Rate			x
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			x
PAS 21	The Effects of Changes in Foreign Exchange Rates			x
	Amendment: Net Investment in a Foreign Operation			x
PAS 23 (Revised)	Borrowing Costs			x
PAS 24 (Revised)	Related Party Disclosures	x		
	Annual Improvements (2010-2012 Cycle): Key Management Personnel	x		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			x
PAS 27 (Revised)	Separate Financial Statements	x		
	Amendments to PAS 27: Investment Entities			x
	Amendments to PAS 27: Separate Financial Statements - Equity Method in Separate Financial Statements	x		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2019		Adopted	Not adopted	Not applicable
PAS 28 (Amended)	Investment in Associates and Joint Ventures	x		
	Amendments to PFRS 10, PFRS 12 and PAS 28: Investment Entities: Applying the Consolidation Exception			x
	Annual Improvements (2014-2016 Cycle): Measuring an Associate or Joint Venture at Fair Value	Not early adopted		
	Amendments to PAS 28: Investment in Associates and Joint Ventures and PFRS 10: Consolidated Financial Statements - Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to PAS 28: Long Term Interests in Associates and Joint Ventures	Not early adopted		
PAS 29	Financial Reporting in Hyperinflationary Economies			x
PAS 31	Interest in Joint Ventures			x
PAS 32	Financial Instruments: Disclosure and Presentation	x		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			x
	Amendment to PAS 32: Classification of Rights Issues			x
	Annual Improvements (2009-2011 Cycle): Tax Effect of Distribution of Holders of Equity Instruments			x
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	x		
PAS 33	Earnings Per Share	x		
PAS 34	Interim Financial Reporting			x
	Annual Improvements (2009-2011 Cycle): Interim Financial Reporting and Segment Information for Total Assets and Liabilities			x
	Annual Improvements (2012-2014 Cycle): Disclosure of Information 'Elsewere in the Interim Financial Report'			x
PAS 36	Impairment of Assets	x		
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	x		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	x		
PAS 38	Intangible Assets	x		
	Annual Improvements (2010-2012 Cycle): Revaluation Method - Proportionate Restatement of Accumulated Amortization			x
	Amendments to PAS 16: Property, Plant and Equipment and PAS 38: Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization			x
PAS 39	Financial Instruments: Recognition and Measurement	x		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	x		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			x
	Amendments to PAS 39: The Fair Value Option	x		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			x
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	x		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	x		
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			x
	Amendment to PAS 39: Eligible Hedged Items			x
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			x
PAS 40	Invesment Property	x		
	Annual Improvements (2011-2013 Cycle): Investment Property	x		
	Amendments to PAS 40: Transfers of Investment Property	Not early adopted		
PAS 41	Agriculture			x
	Amendments to PAS 16: Property, Plant and Equipment and PAS 41: Agriculture - Bearer Plants			x
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			x
IFRIC 2	Member's Share in Co-operative Entities and Similar Instruments			x
IFRIC 4	Determining whether an Arrangement contains a Lease			x
IFRIC 5	Rights to Interests Arising from Decommisioning, Restoration and Environmental Rehabilitation Funds			x
IFRIC 6	Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Component			x
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting under Hyperinflationary Economies			x
IFRIC 8	Scope of PFRS 2			x

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2019		Adopted	Not adopted	Not applicable
IFRIC 9	Reassessment of Embedded Derivatives			x
	Amendments to Philippine Interpretations IFRIC-9 and PAS 39: Embedded Derivatives			x
IFRIC 10	Interim Financial Reporting and Impairment			x
IFRIC 11	PFRS 2-Group and Treasury Share Transactions			x
IFRIC 12	Service Concession Arrangements			x
IFRIC 13	Customer Loyalty Programmes			x
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction			x
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			x
IFRIC 15	Agreements for Construction of Real Estate	Not early adopted		
IFRIC 16	Hedges of a Net Investment in Foreign Operation			x
IFRIC 17	Distribution of Non Cash Assets to Owners			x
IFRIC 18	Transfers of Assets from Customers			x
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			x
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			x
IFRIC 21	Levies			x
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Not early adopted		
IFRIC 23	Uncertainty Over Income Tax Treatments	Not early adopted		
SIC - 7	Introduction of the Euro			x
SIC - 10	Government Assistance - No Specific Relation to Operating Activities			x
SIC - 12	Consolidation - Special Purpose Entities			x
	Amendment to SIC - 12: Scope of SIC - 12			x
SIC - 13	Jointly Controlled Entities - Non Monetary Contributions by Venturers			x
SIC - 15	Operating Leases - Incentives			x
SIC - 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			x
SIC - 27	Evaluating the Substance of Transactions Involving the Legal form of a Lease			x
SIC - 29	Service Concession Arrangements - Disclosures			x
SIC - 31	Revenue - Barter Transactions Involving Advertising Services			x
SIC - 32	Intangible Assets - Web Site Costs			x

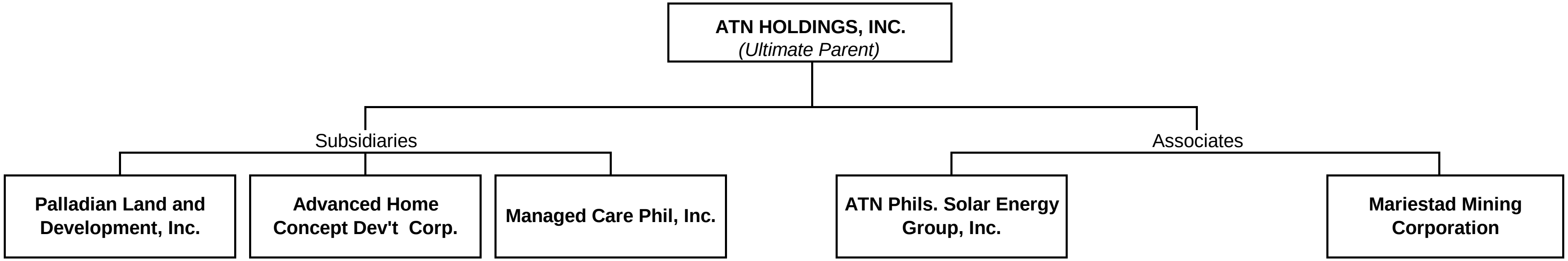
ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule II - Financial Soundness
Pursuant to SRC Rule 68, As Amended

		2019	2018
A.	Current/liquidity ratios		
	Current ratio	**0.838**	0.651
	Quick ratio	**0.349**	0.143
	Cash ratio	**0.349**	0.139
B.	Solvency ratio/Debt-to-equity ratio		
	Solvency ratio	**-0.005**	3.143
C.	Asset-to-Equity ratios	**1.646**	1.467
D.	Interest rate coverage ratio		333.587
E.	Profitability ratios		
	Net profit margin analysis	**-69.369%**	66.174%
	Return on assets	**-0.355%**	9.860%
	Return on equity	**-0.552%**	14.460%
	Return on capital employed	**-0.277%**	14.646%

ATN HOLDINGS, INC.
Schedule III - Parent Company Retained Earnings Available for Dividend Declaration
March 31, 2019

Balance at beginning of year			P 51,173,481
Adjustment on beginning balance			(8,901,027)
			42,272,454
Loss during the period closed to Retained Earnings		(1,427,647)	
Less:	Non-actual/unrealized income net of tax	-	
	Equity in net income of associate/joint venture	-	
	Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	
	Unrealized actuarial gain	-	
	Fair value adjustment on financial assets at FVTPL	-	
	Fair Value adjustment of Investment Property	-	
	Increase in deferred tax as	-	
	Adjustment due to deviation from PFRS/GAAP-gain	-	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Subtotal		-	
Add:	Non-actual losses	-	
	Depreciation on revaluation increment (after tax)	-	
	Adjustment due to deviation from PFRS/GAAP - loss	-	
	Equity in net loss of an associate	-	
	Loss on fair value adjustment of investment property (after tax)	-	
Subtotal		-	
Net income actually earned during the period			(1,427,647)
Add (Less):	Dividend declarations during the period	-	
	Appropriations of Retained Earnings during the period	-	
	Reversals of appropriations	-	
	Effects of prior period adjustments	-	
	Treasury shares	-	
Subtotal			-
Balance at end of year			P 40,844,807

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule IV - A map showing the relationship between and among the Company
and its Ultimate Parent Company, Subsidiaries and Associates
Pursuant to Rule 68, as Amended
March 31, 2019



ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule A - Non-Current Marketable Equity Securities, Other Long Term Investment in Stocks and Other Investments
March 31, 2019

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes		Amount shown in the statement of financial position		Equity in net earnings (losses) of the investee for the period		Income received and accrued
INVESTMENT IN ASSOCIATES							
Mariestad Mining Corporation (MMC)	-	P	11,306,000	P	-	P	-
ATN Philippines Solar Energy Group, Inc.	-		678,207,476		(3,627,846)		-
Less: Allowance for impairment loss (MMC)	-		(11,306,000)		-		-
	-	P	678,207,476	P	(3,627,846)		-
AVAILABLE FOR SALE INVESTMENTS							
Transpacific Broadband Group International, Inc.	133,100,000	P	22,955,000	P	-	P	-

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule B - Amount Receivable from Directors, Officers, Employees, Related parties and Principal Stockholders (Other than Related Parties)
March 31, 2019

Name and Designation of Debtor	Balance at beginning of period	Additions	Amounts collected	Allowance for impairment	Current	Non Current	Balance at end of period
Sierra Madre Consolidated Mines	P 11,756,000	P -	P -	P 11,756,000	P -	P -	P -
ATN Philippines Solar Energy Group, Inc.	607,479	-	607,479	-	-	-	-
Unipage Management, Inc.	13,921,799	1,955,955	15,877,754	-	-	-	-
Transpacific Broadband Group Int'l Inc.	295,219	-	295,219	-	-	-	-
	P 26,580,497	P 1,955,955	P 16,780,452	P 11,756,000	P -	P -	P -

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
March 31, 2019

Related Party		Balance at beginning of period		Net transactions		Balance at end of period
Palladian Land Development, Inc.	P	(60,328,401)	P	81,369,130	P	21,040,729
Advanced Home Concept Development Corporation		6,942,328		3,826,349		10,768,677
Managed Care Philippines, Inc.		10,768,677		(3,526,349)		7,242,328
Total	P	(42,617,396)	P	81,669,130	P	39,051,734

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule D - Intangible Assets (Other assets)
March 31, 2019

Portal and enterprise system		Balance at beginning of period		Additions/ Revisions		Disposal		Balance at end of period
Cost	P	15,000,000	P	-	P	-	P	15,000,000
Accumulated amortization		9,150,000		850,000		-		10,000,000
Impaiment		-		1,000,000		-		1,000,000
Net Book Value	P	5,850,000	P	850,000	P	-	P	4,000,000

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule E - Long-Term Debt
March 31, 2019

Creditor	Original Currency		Balance at beginning of period (in peso)		Payment (in peso)		Addition (in peso)		Unrealized foreign exchange gain		Reclasssification into short-term debt (in peso)		Balance at end of period (in peso)
China Banking Corporation	P	20,000,000	P	20,000,000	P	38,100,000	P	40,000,000	P	-	P	21,900,000	P	-
United Coconut Planters Bank		-		-		301,110.00		3,050,600.00		-		957,352.00		1,792,138.00
Rizal Commercial Banking Corporation	¥	52,232,000		23,102,212		25,058,167		-		1,955,955		-		-
Total			P	43,102,212	P	63,459,277	P	43,050,600	P	1,955,955	P	22,857,352	P	1,792,138

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule F - Indebtedness to Related Parties (Long-term loans from related parties)
March 31, 2019

Related Party		Balance at beginning of period		Payment		Addition		Balance at end of period
Transpacific Broadband Group International, Inc.	P	-		1,584,059		2,684,723		1,100,664
ATN Philippines Solar Energy Group, Inc.		1,152,747		34,866,336		68,096,648		34,383,059
Stockholder		102,223,367		-		355,916,704		458,140,071
Total	P	103,376,114	P	36,450,395	P	426,698,075	P	493,623,794

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule G - Guarantees of Securities of Other Issuers
March 31, 2019

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
None		P -	P -	

ATN HOLDINGS, INC. AND SUBSIDIARIES
Schedule H - Share Capital
March 31, 2019

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, convertion and other rights	Number of shares held by related parties	Number of shares held by directors, officers and employees	Others
Common shares - P0.10 par value						
Class A	4,200,000,000	3,700,000,000	-	-	409,614,960	3,290,385,040
Class B	2,800,000,000	800,000,000	-	-	1,001,000	798,999,000
Preferred shares	5,000,000,000	-	-	-	-	-
	12,000,000,000	4,500,000,000	-	-	410,615,960	4,089,384,040

ATN HOLDINGS, INC.

Parent Company Financial Statements
March 31, 2019 and 2018

PRC-BOA Reg. No. 0132, valid until December 31, 2021
SEC Accreditation No.0220-FR-2, valid until March 27, 2020
BIR Accreditation No. 07-001080-002-2016, valid until October 3, 2019

Report of Independent Public Accountants

The Stockholders and Board of Directors
ATN HOLDINGS, INC.
9TH Floor, Summit One Tower
530 Shaw Blvd., Mandaluyong City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ATN HOLDINGS, INC.** (the Company), which comprise the Parent Company statements of financial position as at March 31, 2019 and 2018, and Parent Company statements of income, Parent Company statements of comprehensive income, Parent Company statements of changes in equity and Parent Company statements of cash flows for each of the three years in the period ended March 31, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018, and its financial performance and its cash flows for each of the three years in the period ended March 31, 2019, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended March 31, 2019, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended March 31, 2019 are expected to be made available to us after the date of auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged With Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Supplementary Information Required Under Revenue Regulation (RR) 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Chester Nimitz F. Salvador.

R. R. TAN AND ASSOCIATES, CPAs

By: CHESTER NIMITZ F. SALVADOR
Partner
CPA Certificate No. 0129556
Tax Identification No. 307-838-154
PTR No. 5174718, January 12, 2019, Pasig City
SEC Accreditation No. 1608-A, valid until January 26, 2020
BIR Accreditation No. 07-000251-003-2019, valid until June 13, 2022

July 12, 2019
Pasig City

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2019 AND 2018

	Notes		2019		2018
ASSETS					
Current Assets					
Cash in bank	8	**P**	**1,883,297**	P	4,314,897
Other current assets	9		**235,767**		147,857
			2,119,064		4,462,754
Non-current assets held for sale	10		**-**		19,347,749
			2,119,064		23,810,503
Non-current Assets					
Investments in:					
Financial assets at fair value					
through other comprehensive income (FVOCI)	12		**22,955,000**		-
Available-for-sale (AFS) securities	12		-		22,986,000
Subsidiaries and associates	11		**917,080,120**		558,425,000
Investment properties	13		**77,080,709**		57,732,960
Advances to related parties	18		**39,051,734**		29,889,588
Deferred tax asset	19		**-**		180,050
			1,056,167,563		669,213,598
TOTAL ASSETS		**P**	**1,058,286,627**	P	693,024,101
LIABILITIES AND EQUITY					
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	14	**P**	**3,404,765**	P	3,530,808
Non-current liabilities of non-current assets held for sale	10		**-**		15,068,006
			3,404,765		18,598,814
Non-current Liabilities					
Deposits	10		**15,068,006**		58,000
Subscription payable	15		**86,981,600**		80,195,240
Advances from related parties	18		**449,327,221**		89,208,365
Deferred tax liability	19		**4,840,063**		4,840,218
			556,216,890		174,301,823
TOTAL LIABILITIES			**559,621,655**		192,900,637
EQUITY					
Share capital	16		**450,000,000**		450,000,000
Additional paid-in capital			**373,956**		373,956
Unrealized loss on					
Financial asset at fair value through OCI - net of tax	16		**(1,454,818)**		-
AFS securities - net of tax	16		**-**		(1,423,973)
Retained earnings - March 31			**49,745,834**		51,173,481
TOTAL EQUITY			**498,664,972**		500,123,464
TOTAL LIABILITIES AND EQUITY		**P**	**1,058,286,627**	P	693,024,101

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2019 AND 2018

	Notes		**2019**		2018
REVENUES					
Fair value gain on investment properties		**P**	**-**	P	17,045,020
Gain on sale of investment in associate	*11*		**-**		10,000,000
Rental income			**268,919**		381,223
Other income			**9,858**		11,163
			278,777		27,437,406
ADMINISTRATIVE EXPENSES	*17*		**1,520,996**		898,512
INCOME (LOSS) BEFORE INCOME TAX EXPENSE			**(1,242,219)**		26,538,894
INCOME TAX EXPENSE	*19*		**185,428**		6,125,592
INCOME (LOSS) FOR THE PERIOD			**(1,427,647)**		20,413,302
EARNINGS (LOSS) PER SHARE	*20*		**(0.0003)**		0.0045

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FISCAL YEARS ENDED MARCH 31, 2019 AND 2018

	Note		**2019**		2018
INCOME (LOSS) FOR THE PERIOD		**P**	**(1,427,647)**	P	20,413,302
Items not to be reclassified to profit or loss in subsequent periods:					
Fair value changes in financial assets at fair value through other comprehensive income net of deferred income tax	*16*		**(30,845)**		-
Items to be reclassified to profit or loss in subsequent periods:					
Fair value changes in available-for-sale financial assets - net of deferred income tax	*16*		**-**		780,378
TOTAL COMPREHENSIVE INCOME (LOSS)		**P**	**(1,458,492)**	P	21,193,680

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CHANGES IN EQUITY
FOR THE FISCAL YEARS ENDED MARCH 31, 2019 AND 2018

	Notes		Share Capital		Additional Paid-in Capital		Unrealized loss on: Financial assets at fair value through OCI - net of deferred tax		Unrealized loss on: Available-for-sale securities - net of deferred tax		Retained Earnings		Total
Balance at March 31, 2017		P	450,000,000	P	373,956	P	-	P	(2,204,351)	P	30,760,179	P	478,929,784
Changes in fair value of Available-for-sale	*16*		-		-		-		780,378		-		780,378
Income for the period			-		-		-				20,413,302		20,413,302
Balance at March 31, 2018			450,000,000		373,956		-		(1,423,973)		51,173,481		500,123,464
Effect of adoption of PFRS 9			**-**		**-**		**(1,423,973)**		**1,423,973**		**-**		**-**
Changes in financial assets at fair value													**-**
through other comprehensive income	*16*		**-**		**-**		**(30,845)**		**-**		**-**		**(30,845)**
Income for the period			**-**		**-**		**-**		**-**		**(1,427,647)**		**(1,427,647)**
Balance at March 31, 2019		**P**	**450,000,000**	**P**	**373,956**	**P**	**(1,454,818)**	**P**	**-**	**P**	**49,745,834**	**P**	**498,664,972**

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
PARENT COMPANY STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED MARCH 31, 2019 AND 2018

	Notes		**2019**		2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Income (loss) before income tax expense		**P**	**(1,242,219)**	P	26,538,894
Adjustments for:					
Gain on sale of investment in associate			**-**		(10,000,000)
Fair value gain on investment properties	*13*		**-**		(17,045,020)
Interest income			**(9,858)**		(11,163)
Operating Loss Before Working Capital Changes			**(1,252,077)**		(517,289)
(Increase) Decrease in other current asset			**(90,857)**		73,601
Increase (Decrease) in operating liabilities:					
Accounts payable and accrued expenses			**(126,043)**		(32,889)
Deposits			**(58,000)**		58,000
Cash used in operations			**(1,526,977)**		(418,577)
Income taxes paid			**(2,431)**		(14,036)
Interest received			**9,858**		11,163
Net Cash Used in Operating Activities			**(1,519,550)**		(421,450)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payment of stock subscription to associate	*15*		**(351,868,760)**		(76,748,460)
Increase in non-current liabilities of					
non-current assets held for sale			**-**		909,825
Advances to related parties			**(21,340,729)**		(333,539)
Collection of advances to related parties			**12,178,583**		37,386,142
Net Cash Used in Investing Activities			**(361,030,906)**		(38,786,032)
CASH FLOWS FROM FINANCING ACTIVITIES					
Availment of advances from related parties			**420,951,550**		38,274,502
Payments made to related parties			**(60,832,694)**		-
Net Cash Provided by Financing Activities			**360,118,856**		38,274,502
NET DECREASE IN CASH			**(2,431,600)**		(932,980)
CASH AT BEGINNING OF YEAR			**4,314,897**		5,247,877
CASH AT END OF THE YEAR		**P**	**1,883,297**	P	4,314,897

See accompanying Notes to Parent Company Financial Statements

ATN HOLDINGS, INC.
NOTES TO PARENT COMPANY FINANCIAL STATEMENTS
MARCH 31, 2019 AND 2018

1. Corporate Information

ATN Holdings, Inc. (*ATN or the Parent or the Company*) was registered with the Securities and Exchange Commission (SEC) on February 12, 1969 under the name Jabpract Mining and Industrial Corporation. On March 14, 1996, Jabpract Mining and Industrial Corporation changed its corporate name to ATN Holdings, Inc. and its primary and secondary purposes were amended to enable it to perform the acts of a holding company. On November 10, 2016, the Company's articles of incorporation was amended extending its corporate life for another fifty (50) years from February 12, 2019. The amendment was approved by the SEC on November 21, 2016.

The common shares of ATN are listed and traded in the Philippine Stock Exchange. The registered office address of ATN is 9th Floor Summit One Tower Bldg., 530 Shaw Blvd., Mandaluyong City. ATN Holdings, Inc. has no ultimate Parent company.

The accompanying financial statements were authorized for issue by the President on July 12, 2019.

2. Statement of Compliance and Basis of Preparation and Presentation

Statement of compliance
The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and interpretations thereof. PFRS are adopted standards by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB).

Basis of Preparation and Presentation
The accompanying financial statements have been prepared using the historical cost method. The financial statements are presented in Philippine Peso, the Company's functional currency. All values are rounded off to the nearest peso and represent absolute amounts except when otherwise indicated.

The preparation of the financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented, unless otherwise stated.

Current versus non-current classification
The Parent Company presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash and cash equivalent unless restricted from being exchanged or use to settle a liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Parent Company classifies all other liabilities as non-current.

Cash and Cash Equivalents
Cash and cash equivalents are defined as cash on hand, demand deposits and short-term highly liquid investments readily convertible to known amount of cash which are subject to insignificant risk of changes in value.

Financial Instruments

Date of Recognition
Financial assets and financial liabilities are recognized in the statements of financial position of the Company when it becomes a party to the contractual provisions of the instrument.

Initial Recognition

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

Determination of Fair Value
The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statements of financial position.

Classification and Measurement of Financial Assets effective April 1, 2018
The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for financial assets at FVPL, all financial assets are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

- Financial Assets at Amortized Cost

  The Company measures financial assets at amortized cost if both of the following condition are met:

  - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized or impaired.

  The Company's financial assets at amortized cost includes cash in bank, account receivables and advances to related parties.

- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

  Equity instruments
  Upon initial recognition, the company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under *PAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

  As of March 31, 2019, the Company has financial instrument amounting to P22,955,000 under this category.

  Debt instruments
  A debt financial asset is measured at FVOCI if both of the following condition are met:

  - The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

  As of March 31, 2019, the Company does not have debt instruments at FVOCI.

- Financial Assets at Fair Value through Profit or Loss (FVPL)

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVPL are subsequently carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss. Dividends are also recognized as other income in the statement of profit or loss when the right of payment has been established.

Classification and Measurement of Financial Liabilities effective April 1, 2018
Financial liabilities are measured at amortized cost, except for the following:

(i) Financial liabilities measured at fair value through profit or loss;
(ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Company retains continuing involvement;
(iii) Financial guarantee contracts;
(iv) Commitments to provide a loan at a below-market interest rate; and
(v) Contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

(i) If a host contract contains one or more embedded derivatives; or

(ii) If a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As of March 31, 2019, financial liabilities at amortized cost include the Company's accounts payable and accrued expenses.

Classification of Financial Instruments prior to April 1, 2018
The Company classifies financial assets into the following categories, (i) At fair value through profit or loss (FVPL), (ii) Available-for-sale, (iii) Held-to-maturity and (iv) Loans and receivable. The Company classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

- Financial Assets and Financial Liabilities at FVPL
  Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading and financial assets and financial liabilities designated upon initial recognition as at FVPL. After initial recognition, financial assets and financial liabilities at FVPL are carried at fair value.

A financial asset and financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- It is part of an identified portfolio of financial instruments that the Company manages together and has recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistently that would otherwise arise; or
- The financial asset forms part of a group of financial assets that is managed and its performance is evaluated on a fair value basis.
- It forms part of a contract containing one or more embedded derivatives.

As of March 31, 2018, there are no financial assets under this category.

- Available-for-sale (AFS)

AFS are non-derivative financial assets that are either designated on this category or not classified in any of the other categories. Subsequent to initial recognition, AFS assets are carried at fair value in the statement of financial position. Changes in the fair value are recognized directly in equity account as "*Unrealized loss on AFS securities*". Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognized in equity is included in profit or loss for the period.

As of March 31, 2018, financial assets under this category amounted to P22,986,000.

- Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

Included under this category are the company's cash in bank, account receivables and advances to related parties.

- Held-to-maturity (HTM)

HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturities wherein the Company has the positive intention and ability to hold to maturity. After initial measurement, HTM assets are carried at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate. Any changes to the carrying amount of the investment are recognized in statements of income.

As of March 31, 2018, there are no financial assets under this category.

- Other Financial Liabilities

Issued financial instruments or their components, which are not designated as at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are integral parts of the effective interest rate. Any effects of restatement of foreign currency-denominated liabilities are recognized in the statement of comprehensive income.

Included under this category are accounts payable and accrued expenses. Furthermore, the adoption of PFRS 9 does not significantly change the accounting for financial liabilities under PAS 39.

Reclassification of Financial Assets – effective April 1, 2018
The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets:

(i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
(ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Reclassification of Financial Assets – Prior to April 1, 2018
A financial asset is reclassified out of the FVPL category when the following conditions are met:

(i) the financial asset is no longer held for the purpose of selling or repurchasing it the near future; and,
(ii) there is a rare situation

A financial asset that is reclassified out of the FVPL category if reclassified at its fair value on the date of reclassification. Any gain or loss already recognized in the statement of income is not reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortized cost, as applicable.

Impairment of Financial Assets effective April 1, 2018
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established probability of default rates for third party trade receivables based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company applies the historical credit loss method in case undue cost or effort is involved in calculating the ECL by considering the forward-looking factors. For inter-group trade receivables, the Company has established probability of default rates based on internal credit rating of the customers. Internal credit ratings are based on methodologies adopted by independent credit rating agencies. Therefore, the internal ratings already consider forward looking information.

The Company consider a financial asset to be in default when contractual payments are 180 days past due. However, Company considers internal or external information when there are indicators that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment of Financial Assets as of March 31, 2018
The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

(i) Assets carried at amortized cost
If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The amount of the loss is recognized in the profit and loss accounts.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed.

Any subsequent reversal of an impairment loss is recognized in the profit and loss accounts, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

(ii) Assets carried at cost
If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(iii) Available-for-sale financial assets
Available-for-sale financial assets are subject to impairment review at each end of the reporting period. Impairment loss is recognized when there is objective evidence such as significant financial difficulty of the issuer/obligor, significant or prolonged decline in market prices and adverse economic indicators that the recoverable amount of an asset is below its carrying amount.

Derecognition of Financial Instruments – as of and for the year ended March 31, 2018 and 2019

Financial Assets
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Non-current Assets Held for Sale
The Company classifies its non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

The Company measures its non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

Input tax
Input tax represents 12% VAT input from purchases of goods and services. Input tax can be claimed against output tax in the subsequent month.

Investment Properties
Investment properties consist of properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Company.

Investment property is measured at cost at initial recognition. Subsequently, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by the Company. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of comprehensive income in the year of retirement or disposal.

Investment in Associates and Subsidiaries
In this separate financial statements, the Company's investments in its associates and subsidiaries are accounted for using the cost method as allowed under PAS 27.

Under the cost method, the Company recognizes income from the investment only to the extent that the Company received distributions from accumulated profits of the investee from date of acquisition.

A parent controls an investee when it is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over that investee. Specifically, control is achieved if and only if the a parent company has all the following;

(i) Power over the investee;
(ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
(iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The Parent reassesses whether or not it controls a subsidiary if facts and circumstances indicates that there are changes to one or more of the three elements of control.

The Company derecognizes an investment only when the contractual rights to the cash flows from the assets expire, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity.

Impairment of Non-Financial Assets
The Company's investment in associates and subsidiaries and investment property are subject to impairment testing. All other individual assets' or cash generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less cost to sell and value in use, based on an internal discounted cash flow evaluation. Impairment loss is charged pro-rata to the other assets in the cash generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Accounts Payable and Accrued Expenses
Accounts payables are liabilities to pay for goods or services that have been received or supplied and have been invoiced or formally agreed with the supplier. Accounts payable are non-interest bearing and are stated at their original invoice amount since the effect of discounting is immaterial.

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees.

Equity
Share capital is determined using the par value of shares that have been issued and fully paid.

Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Unrealized gain/loss on financial assets through fair value through other comprehensive income pertains to mark-to-market valuation of financial asset.

Retained earnings (Deficit) include all current and prior period results of operations as disclosed in the statements of comprehensive income.

Revenue and Cost Recognition
Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) Interest – interest income from bank deposits is recognized as interest accrues taking into account the effective yield on the related asset.
(ii) Profit from assets sold or exchanged – recognized when the title to the asset is transferred to the buyer or if the collectability is reasonably assured. If collectability is not reasonably assured, revenue is recognized only to the extent cash is received.

(iii) Rental from Operating Leases - properties leased out under operating leases are included in investment property in the statement of financial position. Lease income is recognized over the term of the lease on a straight-line basis.

(iv) Dividends - Dividends are recognized in the period in which they are declared.

Cost and expenses are recognized in the statements of comprehensive income upon utilization of the assets or services or at the date they are incurred.

Income Taxes

Current tax liabilities are measured at the amount expected to be paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted at the end of reporting period.

Deferred tax is provided using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statements of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Provisions

Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example legal disputes for onerous contract.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain, as a separate asset at an amount not exceeding the balance of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. In addition, long term provisions are discounted at their present values, where time value of money is material.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Earnings (Loss) Per Share
Earnings (Loss) per share is determined by dividing the profit (loss) for the year by the weighted average number of common shares outstanding during the fiscal year.

Related Party Transactions and Relationships
Related party relationships exist when one party has the ability to control directly or indirectly through one or more of the intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among the reporting entity and its key management personnel, directors or its shareholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Payable to related parties are non-interest bearing borrowings. These are measured at their original amounts and have no fixed repayment period.

Events After the Reporting Period
Post year-end events that provide additional information about the Company's financial position at the end of reporting period (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Changes in Accounting Standards

New Accounting Standards and Amendments to Existing Standards Effective as of April 1, 2019

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning April 1,2019.

PFRS 9, *Financial Instruments*
PFRS 9 *Financial Instruments,* which replaces PAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of PFRS 9, brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company chose not to restate comparative figures permitted by the transitional provisions of PFRS 9, thereby resulting in the following impact:

- Comparative information for prior periods will not be restated. The classification and measurement requirements previously applied in accordance with PAS 39 and disclosures required in PFRS 7 will be retained for the comparative periods. Accordingly, the information presented for 2018 does not reflect the requirements of PFRS 9.

- The Company will disclose the accounting policies for both the current period and the comparative periods, one applying PFRS 9 beginning April 1, 2019 and one applying PAS 39 as of March 31, 2018.

The Company assessed that the adoption of PFRS 9, specifically on determining impairment loss using simplified approach (or general approach, as applicable), has no significant impact on the carrying amounts of the Company's financial assets. Financial assets previously classified as loans and receivable will be classified as Financial assets at amortized cost.

As of April 1, 2018, the Company has reviewed and assessed all of its existing financial assets. The table below illustrates the classification and measurement of financial assets and financial liabilities under PFRS 9 and PAS 39 at the date of initial application. The accounting policies adopted by the Company in its evaluation of the classification and measurement categories under PFRS 9 are discussed in Note 3.

The following table shows the original classification categories under PAS 39 and the new classification categories under PFRS 9 for each class of the Company's financial assets as at April 1, 2018:

	Classification under PAS 39	Classification under PFRS 9	Carrying Amount under PAS 39	Carrying Amount under PFRS 9
Cash in bank	Loans and receivables	Financial assets at amortized cost	P 1,883,297	P 1,883,297
Investments in share of stocks	Available-for-sale	Fair value through other comprehensive income	22,955,000	22,955,000

The adoption of PFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PFRS 9 requires the Company to recognize an allowance for ECLs for all debt instruments not held at fair value through profit or loss. There are no impairment losses incurred at the adoption of PFRS 9.

PFRS 15, *Revenue from Contract with Customers*. This standard replaces PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of PFRS 15 has not resulted to changes in the Company's accounting policies; hence, no adjustment is recognized in the financial statements.

PFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Amendments to PFRS 2, *Share-based Payment – Classification and Measurement of Share-based Payment Transactions*

The amendments are intended to clarify following:

- Accounting for cash-settled share-based payment transactions that include a performance condition;
- Classification of share-based payment transactions with net settlement features; and
- Accounting for modifications of share-based payment transactions from cash-settled to equity settled

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

The adoption of this amendment did not result in any impact on the financial statements since the Company has no share-based payment transactions.

Amendments to PFRS 4, *Insurance Contracts – Applying PFRS 9 'Financial Instrument' with PFRS 4 'Insurance Contracts'*
The amendments address concerns arising from implementing PFRS 9, the new financial Instruments standard, before implementing the forthcoming insurance contracts standard. They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognize in other comprehensive income, rather than profit or loss, the volatility that could arise when PFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying PFRS 9 until the earlier of application of the forthcoming insurance contracts standard or January 1, 2021. The overlay approach and the deferral approach will only be available to an entity if it has not previously applied PFRS 9.

The amendments are not applicable to the Company since there are no activities that are predominantly connected with insurance or issue insurance contracts.

Amendments to PAS 40, *Investment Property – Transfers of Investment Property*
The amendments clarify when an entity should transfer property, including property under construction or development, into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. The amendments are effective for annual periods beginning on or after July 1, 2018. Retrospective application is only permitted if that is possible without the use of hindsight. The amendments did not result in any impact on the Company's financial statements.

Annual Improvements to PFRSs (2014-2016 cycle)
The Annual Improvements to PFRSs (2014-2016 cycle) are effective for annual periods beginning on or after January 1, 2018 and did not result in any material impact to the Company's financial statements. They include:

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*
  The amendment deleted the short-term exemptions in paragraphs E3-E7 of PFRS 1, because they have now served their intended purpose.

- PFRS 12, *Disclosure of Interests in Other Entities*
  The amendment clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10-B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations.*

- PAS 28, *Investments in Associates and Joint Ventures*
  The amendment clarified that the election to measure at fair value through profit or loss an investment in associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

Philippine IFRIC Interpretation 22, Foreign Currency Transactions and Advance Consideration.
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a nonmonetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or nonmonetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. Entities may apply the interpretation on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all

assets, expenses and income in its scope that are initially recognized on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The adoption of this interpretation did not result in any significant impact on the financial statements.

PFRS 16, *Leases*
On January 13, 2016, the IASB issued its new standard, PFRS 16, Leases, which replaces PAS 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating lease or finance leases in accordance with PAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their statement of financial position, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under PAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is not permitted until the FRSC has adopted the new revenue recognition standard. When adopting PFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective application, with options to use certain transition reliefs.

Annual Improvements to PFRSs (2015-2017 cycle)
The Annual Improvements to PFRSs (2015-2017 cycle) are effective for annual periods beginning on or after January 1, 2019 and will not have any material impact to the Company's financial statements. They include:

- PFRS 3, Business Combinations and PFRS 11, Joint Arrangements
  The amendments to PFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to PFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

- PAS 12, Income Taxes
  The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognized in profit or loss, regardless of how the tax arises.

- PAS 23, Borrowing Costs
  The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalization rate on general borrowings.

Amendments to PFRS 9, *Financial Instruments – Prepayment Features with Negative Compensation*
The amendments cover two issues:

- What financial assets may be measured at amortized cost. The amendment permits more assets to be measured at amortized cost than under the previous version of PFRS 9, in particular some pre-payable financial assets.
- How to account for the modification of a financial liability. The amendment confirms that most such modifications will result in immediate recognition of a gain or loss. This is a change from common practice under PAS 39.

The amendments are effective for annual periods beginning on or after January 1, 2019, with early adoption permitted. The amendments will not have significant impact on the Company's financial statements.

Deferred
PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the financial statements.

5. Summary of Significant Accounting Judgments and Estimates

The Company makes estimates and assumptions that affect the reported amounts of the assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Judgments
The following judgments were applied which have the most significant effect on the amounts recognized in the financial statements.

Determination of Control
The Company controls an entity if and only if the Company has (i) Power over the entity, (ii) Exposure or rights to variable returns from its involvement with the entity, and (iii) The ability to use its power over the entity to affect the amount of Company's returns.

The Company regularly reassesses whether it controls an investee, if facts and circumstances indicate that there are changes to one or more elements of controls above.

Significant influence in an associate
The Company determined that exercise of significant influence on its associates by considering among other, its owning interest, representation in the Board of Directors, and other relationships.

As of March 31, 2019 and 2018, the Company determined that it exercise control over its subsidiaries.

Classification of financial assets
In classifying its financial assets, the Company follows the guidance of PAS 39. In making the judgment, the Company evaluates its intention, marketability of the instrument and its ability to hold the investments until maturity. Financial assets classifications are disclosed in Note 3.

As of March 31, categories of financial assets include Investment in available for sale securities and Loans and receivable.

Classification of financial instruments (applicable starting April 1, 2018 upon the adoption of PFRS 9) – the Company classifies financial assets in their entirety based on the contractual cash flows characteristics of the financial assets and the Company's business mode for managing the financial assets.

Classification of financial instruments (applicable until March 31, 2018 prior to adoption of PFRS 9) – The Company classifies financial instruments, or its components, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statements of financial position.

Distinction between investment properties and owner-occupied properties
The Company determines whether a property qualifies as investment property. If an insignificant portion is leased out under the operating lease, the property is treated as property and equipment. If the property is not occupied and is held to earn, it is treated as Investment property.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of services or for administrative purposes. If these portions cannot be sold separately as of the end of reporting period, the property is accounted for as investment property only if an insignificant portion is held for use to the production or supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Company considers each property separately in making its judgment. Accordingly, the condominium units and parking lots are classified as investment properties.

Operating leases – Company as lessor
The Company has entered into property leases on a portion of its investment property. The Company has determined that it retains all significant risks and rewards of ownership of those properties which are leased out on operating leases.

The Company's rental income amounted to P268,919 in 2019 and P381,223 in 2018.

Provision and contingencies
Judgment is exercised by management to distinguish between provisions and contingencies.

(ii) Estimates
The key assumptions concerning the future and other key sources of estimation of uncertainty at end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Estimating allowance for impairment losses on receivables
The Company maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible accounts. The level of allowance for impairment losses is evaluated by management on the basis of factors affecting collectability of the receivables. In addition, a review of the accounts designed to identify accounts to be provided with allowance, is made on a continuing basis.

Determination of fair value of financial assets through fair value through other comprehensive income.
The Company measures fair value of financial instruments using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1
Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. An asset or liability is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2
Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As of March 31, 2019 and 2018, FVOCI/AFS are measured under Level 1 and 2. (see note 6)

Estimating fair value of investment properties
The best evidence of fair value is current prices in an active market for similar properties and other contracts. In the absence of such information, the Company determines the amount within a range of reasonable fair value estimates. In making its judgment, the Company considers information from a variety of sources including:

1. current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
2. recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
3. appraisal of independent qualified appraisers.

The Company's investment properties were appraised by an independent firm of appraisers which is an industry specialist in valuing these types of investment properties. The appraisal resulted into an increment amounting to P17.05 million. For lots, raw land and condominium units, the value were arrived at using the *Sales Comparison Approach.* This is a comparative approach to value that considers the sales of similar substitute properties and related market data and establishes a value estimate by processes involving comparison, listings and offerings. The value of improvements was determined under the *Cost approach*. The approach is based on the reproduction cost of the subject property, less depreciation, plus the value of the land to which an estimate of entrepreneurial incentive is commonly added.

Investment properties amounted to P77.08 million and P57.73 million as of March 31, 2019 and 2018, respectively.

Impairment of investment in and advances to associates
The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Several factors are considered which could trigger that impairment has occurred. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have material adverse effect on the results of operations.

The net carrying value of Investment in and Advances to Associates as of March 31, 2019 and 2018 is as follows:

	2019			2018		
	Gross carrying amount	**Allowance for impairment**	**Net carrying value**	Gross carrying amount	Allowance for impairment	Net carrying value
Investments in:						
ATN Phils. Solar Energy Group, Inc.	**P 690,080,120**	**P -**	**P 690,080,120**	P 331,425,000	P -	P 331,425,000
Mariestad Mining Corporation (MMC)	**7,000,000**	**7,000,000**	**-**	7,000,000	7,000,000	-
	697,080,120	**7,000,000**	**690,080,120**	338,425,000	7,000,000	331,425,000
Advances to:						
Sierra Madre Consolidated Mines (SMCM)	**7,450,000**	**7,450,000**	**-**	7,450,000	7,450,000	-
	P 704,530,120	**P 14,450,000**	**P 690,080,120**	P 345,875,000	P 14,450,000	P 331,425,000

Recognition of Deferred tax asset
The Company reviews the carrying amounts of deferred tax assets at each reporting dates and reduces deferred tax assets to the extent that it is no longer probable that sufficient income will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Company will generate sufficient taxable profit to allow all or part of its deferred tax asset to be utilized.

The Company's deferred tax assets amounted to nil and P180,050 in 2019 and 2018, respectively.

6. Fair Value Measurement

The fair value hierarchy of financial instruments measured at fair value is as follows:

	2019				2018			
	Carrying value	**Fair value hierarchy**			Carrying value	Fair value hierarchy		
		Level 1	**Level 2**	**Level 3**		Level 1	Level 2	Level 3
Financial assets at fair value through OCI/AFS securities								
Listed	**P 1,271,000**	**P 1,271,000**	**P -**	**P -**	P 1,302,000	P 1,302,000	P -	P -
Unlisted	**21,684,000**	**-**	**21,684,000**	**-**	21,684,000	-	21,684,000	-
Investment properties	**917,080,120**	-	**44,470,960**	**872,609,160**	57,732,960	-	44,470,960	13,262,000

7. Financial Instruments, Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, and market risk. Risk management policies are summarized below.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Company is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Company manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; and c) be able to access funding when needed at the least possible cost.

Funding is principally sourced through advances or collection of advances to related parties.

As of March 31, 2019 and 2018, accounts payable and accrued expenses have maximum maturities of less than 1 year. "Deposits", "Subscription payable" and "Advances from related parties" do not have fixed repayment period but management believes that settlement is expected after 12 months but not more than 5 years.

Credit Risk
Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of statements of financial position (or in the detailed analysis provided in the notes to financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The table below shows the gross maximum exposure to credit risk of the Company as of March 31, 2019 and 2018.

	Gross maximum exposure	
	2019	2018
Cash in bank	**P 1,883,297**	P 4,314,897
Financial assets at fair value through other comprehensive income	**22,955,000**	-
Available-for-sale securities	**-**	22,986,000
Advances to related parties	**46,501,734**	37,339,588
	P 71,340,031	P 64,640,485

Credit quality of the Company's assets as of March 31, 2019 and 2018 is as follows:

	Neither past due nor impaired		Past due	Past due	
	High	Standard	*but not*	*and*	
2019	grade	grade	impaired	impaired	Total
Cash in bank	**P 1,883,297**	**P -**	**P -**	**P -**	**P 1,883,297**
Financial assets at fair value through other comprehensive income	**-**	**22,955,000**	**-**	**-**	**22,955,000**
Advances to related parties:					
Stockholders and related companies	**-**	**-**	-	**7,450,000**	**7,450,000**
Subsidiaries	**-**	**39,051,734**	-	**-**	**39,051,734**
	P 1,883,297	**P 62,006,734**	**P -**	**P 7,450,000**	**P 71,340,031**

	Neither past due nor impaired		Past due	Past due	
	High	Standard	*but not*	*and*	
2018	grade	grade	impaired	impaired	Total
Cash in bank	**P 4,314,897**	**P -**	**P -**	**P -**	**P 4,314,897**
Available-for-sale investments	**-**	**22,986,000**	**-**	**-**	**22,986,000**
Advances to related parties:					
Stockholders and related companies	**-**	**12,178,583**	-	**7,450,000**	**19,628,583**
Subsidiaries	**-**	**17,711,005**	-	**-**	**17,711,005**
	P 4,314,897	**P 52,875,588**	**P -**	**P 7,450,000**	**P 64,640,485**

Financial assets were graded as follows:

High grade cash in bank are short-term placements and working cash fund placed, invested or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Market Risk

Market risk is the risk of change in fair value of financial instrument from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk represents what the Company would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

The Company manages market risk by evenly distributing capital among investment instruments in different financial institution.

The Company is not exposed to currency risk and interest rate risk. Sensitivity analysis of price risk exposure follows:

Price risk
The Company's price risk exposure at year end relates to financial assets whose values will fluctuate as a result of changes in market price, principally, AFS financial assets.

Observed volatility rates of the fair values of Company's investments held at fair value and their impact on the Company's equity as at March 31, 2019 and 2018 is shown below:

	Impact on equity	
% change in market values	**2019**	2018
+2%	**P 25,420**	P 26,040
-2%	**(25,420)**	(26,040)

Changes in fair value of Financial assets at fair value through other comprehensive income/available-for-sale are charged to equity and therefore do not affect profit and loss.

<u>*Capital Management*</u>
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities.

No changes have been made in the objective, policies and processes as they have been applied in previous years.

The financial ratio at year end, which is within the acceptable range of the Company, is as follows:

	2019	2018
Equity	**P 498,664,972**	P 500,123,464
Total assets	**1,058,286,627**	693,024,101
Ratio	**0.47**	0.72

8. Cash in Bank

Cash in bank generally earns interest based on prevailing bank deposit rates. Cash in bank amounted to P1,883,297 and P4,314,897 as of March 31, 2019 and 2018, respectively.

9. Other Current Assets

This account consists of the following:

		2019		2018
Input vat	**P**	**188,138**	P	141,680
Prepaid taxes		**41,629**		6,177
Accounts receivable		**6,000**		-
	P	**235,767**	P	147,857

10. Non-current Asset Held for Sale

In 2012, the Company entered into various contracts to sell its investment properties at a total contract price of P21.67 million. Payments are to be made in equal monthly installments over a period of 10 years. These are recorded as "*Non-current Asset held for sale"* since management believes that with the cumulative payments to date, it is reasonably expected that the remaining balance will be faithfully completed by the buyer. As of March 31, 2018, these assets amounted to P19.3 million.

Consistent with the reclassification of the investment properties, the related liabilities of the assets held for sale were also reclassified to current liabilities amounting to P15.1 million as of March 31, 2018, respectively. These liabilities comprise the payments made by the other party in the aforesaid contracts to sell.

In 2017 until 2018, the buyer repeatedly failed to fulfill its commitments in accordance with the contract to sell. Accordingly, on January 15, 2019, after a final demand was still futile, the Company, through its legal counsel, informed the buyer that the aforementioned contracts to sell were rescinded and cancelled. The payments made by the buyer amounting to P15 million are deemed forfeited in favor of the seller. On the same date, the Company reclassified the related assets and liabilities previously classified as held for sale. The Company believes that negotiations are still open regarding the payments made hence the same was reported as part of "Deposits" in the statement of financial position.

11. Investments in Subsidiaries and Associates

This account consists of the following:

		2019		2018
Investments in subsidiaries	**P**	**227,000,000**	P	227,000,000
Investments in associates				
Balance, beginning		**338,425,000**		343,425,000
Subscription during the year		**358,655,120**		-
Disposal during the year		**-**		(5,000,000)
Balance, ending		**697,080,120**		338,425,000
Allowance for impairment losses		**(7,000,000)**		(7,000,000)
Total investments in associates		**690,080,120**		331,425,000
Total investments in subsidiaries and associates	**P**	**917,080,120**	P	558,425,000

(i) Investment in subsidiaries

The details of this account as of March 31, 2019 and 2018 are as follows:

	% of ownership	Amount
Palladian Land Development, Inc. (PLDI)	100%	P 200,000,000
Managed Care Phils., Inc. (MCPI)	100%	25,000,000
Advanced Home Concept Development Corporation (AHCDC)	100%	2,000,000
		P 227,000,000

PLDI was incorporated on June 21, 1989, primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

MCPI was established on April 7, 1998, to establish, maintain, adopt, operate, manage, and engage in the business of developing and promoting prepaid medical, health maintenance and related services like clinics, laboratories, pharmacies, research centers, hospitals and emergency facilities for the treatment, care and relief of the sick, injured or otherwise infirm persons including indigent patients, including the care and treatment of maternity cases, with the aim of providing and offering to the public, a comprehensive, systematic and prevention-oriented concept of medical and health maintenance programs.

As of December 31, 2018, MCPI has ceased commercial operations. Accordingly, certain assets, significantly consisting of medical equipment and apparatus have been provided an impairment loss amounting P2,535,252.

AHCDC was registered and incorporated with the SEC on March 14, 1998, primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments and other structures of whatever kind, together with their appurtenances.

All subsidiaries are incorporated and domiciled in the Philippines.

(ii) Investment in Associates

This account consists of the following:

	2019	2018
Cost		
Beginning of the year		
ATN Phils. Solar Energy Group, Inc. (ATN Solar)	**P 331,425,000**	P 336,425,000
Mariestad Mining Corporation (MMC)	**7,000,000**	7,000,000
	338,425,000	343,425,000
Additions during the year (ATN Solar)	**358,655,120**	-
Disposal during the year (ATN Solar)	**-**	(5,000,000)
	697,080,120	338,425,000
Allowance for impairment losses	**(7,000,000)**	(7,000,000)
	P 690,080,120	P 331,425,000

ATN Solar
ATN Solar is a grantee of a 25-year Renewable Energy Contract (*service contract*) with the Department of Energy (DOE) under Republic Act 9513 (*the RA*). The service contract grants ATN Solar the exclusive right to explore develop and utilize the solar energy source

within Rodriguez, Rizal, as its contract area. More specifically, the contract includes setting up a 30 MW Solar PV Project (*the Project*). The project is expected to generate a gross capacity of 33 MW peak of direct current and 30 MW of alternating current to be distributed within Metro Manila with projected revenue of P540 Million per year for the next 25 years.

As of March 31, 2019, the Parent Company owns 49.49% of ATN Solar and it exercises significant influence over the financial and operating matters of the associate. On November 15, 2018 the Parent company subscribed to additional 358,655,070 shares of ATN Solar at P1 par value per share. As of March 31, 2019, P351,869,710 have been paid by the parent company. Accordingly, the shares of stock covering the additional subscription have not been issued by ATN Solar.

The following events transpired during 2018 involving the solar project of ATN Solar.

- Significant completion of pre-construction activities;
- Interconnection and negotiation for power supply agreement with Manila Electric Company;
- Registration of ATN Solar's project site as Special Economic Zone with the Philippine Economic Zone Authority

In the of process setting up the foundation, PV mounting frames and modules and other land developments, the Company have identified the quality of rocks and boulders at the project site to be of commercial use. Hence, a Rock Crusher Project was introduced. This involves the construction of rock crushing plant which will process armor rocks and crushed basalt aggregates. As of December 31, 2018, the rock crusher processing plant have been completed and the trial-run of production of aggregates has commenced with production cost of P68.5 million at year-end.

MMC

In 2007, the Company entered into an investment agreement with MMC to participate in the extraction of manganese ores in the former's mining site. The Company's participation is in the form of providing financial resources to undertake the mining operations. The Company has financed a total of P7 million that is equivalent to 25% equity interest in MMC. Due to the non-commencement of mining operation, the Company provided a full impairment loss on its investment in MMC. Furthermore, no financial information is available for MMC for the last 6 years.

12. Financial Assets at Fair Value through Other Comprehensive Income/Available-for-sale securities

This account represents listed and unlisted shares of Transpacific Broadband Group International, Inc. (TBGI), a publicly listed company in the Philippine Stock Exchange. Fair value was determined through reference to published price quotations.

The reconciliation of the carrying amounts of this account at the beginning and end of the fiscal year is as follows:

		2019		2018
Balance, April 1	**P**	**22,986,000**	P	22,201,700
Changes in fair value		**(31,000)**		784,300
Balance, March 31	**P**	**22,955,000**	P	22,986,000

The breakdown of the shares of stocks as of March 31, 2019 and 2018 is as follow:

	As of March 31, 2019		As of March 31, 2018	
	No. of shares	**Carrying value**	No. of shares	Carrying value
AFS Securities				
Listed	**3,100,000**	**1,271,000**	3,100,000	1,302,000
Unlisted	**130,000,000**	**21,684,000**	130,000,000	21,684,000
	133,100,000	**22,955,000**	133,100,000	22,986,000

In January 2018, the articles of incorporation of TBGI was amended changing the par value from P1.00 to P0.10 per share. As a result of change in par value, the number of shares of ATN in TBGI increase from 13,310,000 shares to 133,100,000 shares.

Changes in fair value are reported separately in the statement of comprehensive income as “Unrealized gain/loss on financial assets at fair value through other comprehensive income/available-for-sale - net of deferred income tax”.

13. Investment Properties

As of March 31, 2019 and 2018, this account consists of the following:

		2019		2018
Commercial condominium units	**P**	**37,468,709**	P	18,120,960
Residential units		**6,962,000**		6,962,000
Parking lots		**26,350,000**		26,350,000
Vacant lots		**6,300,000**		6,300,000
	P	**77,080,709**	P	57,732,960

The movement of this account is as follows:

		2019		2018
Balance at the beginning of the year	**P**	**57,732,960**	P	57,732,960
Reclassification from non-current asset held for sale (Note 10)		**19,347,749**		-
	P	**77,080,709**	P	57,732,960

Condominium units and parking lots are located at Summit One Tower, Mandaluyong City. The fair market value of condominium units and parking lots is determined by a firm of independent appraiser using the Market Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Accordingly, the Company categorized these condominium units and parking lots under Level 2 of the fair value hierarchy. Management believes that there are no present material factors that would significantly increase or decrease the fair value of these properties as of March 31, 2019.

Residential units and vacant lots are located at Riverside Village, Pasig City. The fair market value of residential units is determined by a firm of independent appraiser on April 2, 2018 based on analysis of prevailing land usage in the neighborhood and the property itself which represents the highest and best use of the property under Level 3 in the fair value hierarchy. The fair market value of vacant lots is determined by a firm of independent appraiser using the Market Approach, a comparative approach valuation that considers the sale of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison.

The description of valuation techniques and inputs used in determining the fair value of investment properties are classified as Level 2 and 3 in fair value hierarchy is as follows:

Location	Type	Valuation techniques	Significant observable inputs	Fair value hierarchy	Range
Riverside Village	Residential and vacant lots	Market approach	Selling price (per square meter)	Level 3	P22,500 - P36,333
			Size		5.0%
			Location		-5% to -10%
			Improvements		-25% to -35%
Summit One Tower	Parking lots	Market approach	Selling price (per square meter)	Level 2	P61,818 - P82,926
			Size		5%
			Location		-5%
			Improvements		-
	Condominium units	Market approach	Selling price (per square meter)	Level 2	P61,864 - P64,937
			Size		5%
			Location		-5%
			Improvements		10% to 15%

Rental income on investment properties amounted to P268,919 and P381,223 in 2019 and 2018, respectively. No direct operating costs were incurred on these investment properties in both 2019 and 2018.

14. Accounts Payable and Accrued Expenses

This account consists of the following:

		2019		2018
Trade	**P**	**392,979**	P	519,022
Tax payable		**2,985,000**		2,985,000
Unearned rent income		**26,786**		26,786
	P	**3,404,765**	P	3,530,808

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are non interest-bearing and are normally settled on a 90-day term;
- Unearned rent income represents advance rental payments on parking lot being leased out to a third party.

The fair values of accounts payable and accrued expenses have not been disclosed due to their short duration. Management considers the carrying amounts recognized in the statement of financial position to be a reasonable approximation of their fair values.

15. Subscription Payable

The movement of this account is as follows:

		2019		2018
Balance at the beginning of the year	**P**	**80,195,240**	P	156,943,700
Subscription during the year		**358,655,120**		-
Payments during the year		**(351,868,760)**		(76,748,460)
Balance at the end of the year	**P**	**86,981,600**	P	80,195,240

This represents subscription to the Capital stock of ATN Solar (see Note 11). Subscriptions are payable on demand or each capital call of ATN Solar. These funds are used by ATN Solar principally for capital expenditures and pre-operating expenses of the solar energy project.

The details of subscription are as follows:

- On March 14, 2017 the Company subscribed for 160.8 million shares of ATN Solar at P1 par value per share. This was fully paid during 2019.

- On November 15, 2018, the Company subscribed to 358,655,120 shares of ATN Solar at P1 par value per share, of which P271,648,470 have been paid (i) thru conversion of advances and (ii) in cash.

As of July 12, 2019 additional payment of P32 million, have been received as payment for 2018 subscription

16. Equity

Share capital
The component of the Parent Company's share capital is as follows:

	Authorized share capital			Subscribed and paid		
Title of issue	Number of shares		Amount	Number of shares		Amount
Common						
Class A	4,200,000,000	P	420,000,000	3,700,000,000	P	370,000,000
Class B	2,800,000,000		280,000,000	800,000,000		80,000,000
Preferred	5,000,000,000		500,000,000	-		-
	12,000,000,000	P	1,200,000,000	4,500,000,000	P	450,000,000

In accordance with the Articles of Incorporation, certain restrictions have been imposed regarding issuance and transfer of share capital as follows:

Class "A" common shares are to be issued only to citizens of the Philippines or to partnership, association or corporation organized under the laws of the Philippines.

Class "B" common shares are to be issued to any person subject to the required foreign ownership limitation under the laws of the Philippines.

Preferred shares are cumulative, non-participating, non-voting shares that are entitled for mandatory redemption on the 5^{th}, 7^{th} and 10^{th} year anniversary of issue.

Unrealized gain on financial asset at fair value through other comprehensive income/available-for-sale securities
The movement of this account is as follows:

		2019		2018
Balance at beginning of year	**P**	**(1,423,973)**	P	(2,204,351)
Changes in fair value - net of deferred tax		**(30,845)**		780,378
Balance at the end of year	**P**	**(1,454,818)**	P	(1,423,973)

17. Administrative expenses

The breakdown of this account is as follows:

		2019		2018
Taxes and licenses	**P**	**661,015**	P	259,773
Professional fees		**605,000**		540,000
Representation and entertainment		**82,539**		-
Transportation and travel		**73,000**		45,000
Office supplies		**62,953**		28,800
Advertising		**20,375**		-
Miscellaneous		**16,114**		24,939
	P	**1,520,996**	P	898,512

18. Related party transactions

The Company's related parties, relationship, nature of transactions and year-end balances are as follows:

	Transaction		Amount		Year-end balances	Terms	Conditions
Advances to related parties							
Subsidiaries							
Managed Care Philippines, Inc.							
2019	Additional advances	**P**	**300,000**	**P**	**7,242,328**	No payment terms	Unsecured; no impairment
2018	Payment of advances		(5,000,000)		6,942,328	No payment terms	Unsecured; no impairment
Advanced Home Concept Development Corporation							
2019	No transaction occurred during the year	**P**	**-**	**P**	**10,768,677**	No payment terms	Unsecured; no impairment
2018	No transaction occurred during the year		-		10,768,677	No payment terms	Unsecured; no impairment
Palladian Land Development Inc.							
2019	Advances		**21,040,729**		**21,040,729**	No payment terms	Unsecured; no impairment
Related parties							
Unipage Management, Inc. (UMI)							
2019	Payment of advances	**P**	**(11,571,104)**	P	-	No payment terms terms	Unsecured; no impairment no impairment
2018	Payment of advances		(30,672,866)		11,571,104	No payment terms	Unsecured; no impairment
	Sale of AFS investment (see Note 12)		15,000,000			No payment terms	Unsecured; no impairment
ATN Philippines Solar Energy Group Inc.							
2019	Payment of advances	**P**	**(607,479)**	P	-	No payment terms	Unsecured; no impairment
2018	Advances		333,539		607,479	No payment terms	Unsecured; no impairment
Total advances to related parties							
2019				**P**	**39,051,734**		
2018					29,889,588		

	Transaction	Amount	Year-end balances	Terms	Conditions
Advances from related parties					
Subsidiary					
Palladian Land Development, Inc.					
2019	Payment of advances	**P 60,328,401**	**P -**	No payment terms	Unsecured; no impairment
2018	Payment of advances	-	(60,328,401)	No payment terms	Unsecured; no impairment
	Cash advances	(10,143,128)			
Related parties					
Unipage Management Inc. (UMI)					
2019	Payment of advances	**209,590**	**-**	No payment terms	Unsecured; no impairment
2018	No transaction occurred during the year	(209,590)	(209,590)	No payment terms	Unsecured; no impairment
Shareholders					
2019	Cash advances	**(420,951,551)**	**(449,327,221)**	No payment terms	Unsecured; no impairment
	Payment of advances to shareholders	294,703			
2018	Cash of advances	(28,500,000)	(28,670,373)	No payment	Unsecured;
	Payment of advances to shareholders	(1,134,525)			
Total advances from related parties					
2019			**P (449,327,221)**		
2018			(89,208,365)		

Transactions with related parties during the 2019 and 2018 are as follows:

- Advances to and from subsidiaries/affiliated companies are cash advances that are primarily used for working capital of these companies.
- During 2019 and 2018, UMI has net payment of advances amounting to P11,571,104 and P30,672,866, respectively.
- During 2019 and 2018, the Parent Company provided cash advances to PLDI in the total amount of P21 million.

Advances to and from related parties are not subject to interest and have no fixed repayment period.

<u>Mariestad Mining Corporation (MMC) and Sierra Madre Consolidated Mines (SMCM)</u>
In prior years, the Company provided cash advances to SMCM to fund its mining activities. Such advances will be converted into equity interest in SMCM when mining operations commence. Due to unforeseen circumstances, SMCM encountered financial difficulties and were unable to operate and generate revenues and cash flows. Accordingly, the Company provided a full impairment loss on its advances to SMCM in 2014 amounting to P7.45 million.

19. Income Taxes

The reconciliation of pretax income computed at the applicable statutory rates to tax expense is as follows:

		2019		2018
Statutory income tax	**P**	**(372,665)**	P	7,961,668
Income subject to final tax		**(2,958)**		(3,349)
Tax effect of:				
Non-deductible expense		**664**		300
Income subject to lower tax		**-**		(2,005,000)
Non-taxable income		**-**		(5,113,506)
Effect of unrecognized deferred income tax		**380,337**		5,285,479
	P	**5,378**	P	6,125,592

The component of the Company's deferred income tax assets and liabilities are as follows:

		2019		2018
Deferred tax assets				
Impairment loss on Non-current assets held for sale	**P**	**-**	P	180,050
		-		180,050
Deferred tax liabilities				
Unrealized gain on:				
Investment properties		**2,670,308**		2,670,308
Financial assets at FVOCI		**2,169,755**		-
Available-for-sale investments		-		2,169,910
	P	**4,840,063**	P	4,840,218

The movements of deferred tax assets and liabilities are as follows:

	As of March 31, 2019							
			Changes taken to					
		Beginning		Profit and loss		Equity		Ending
Deferred tax assets	**P**	**180,050**	**P**	**(180,050)**	**P**	**-**	**P**	**-**
Deferred tax liabilities		**4,840,218**		**-**		**(155)**		**4,840,063**
	P	**(4,660,168)**	**P**	**(180,050)**	**P**	**155**	**P**	**(4,840,063)**

	As of March 31, 2018							
			Changes taken to					
		Beginning		Profit and loss		Equity		Ending
Deferred tax assets	P	2,632,710	P	(2,452,660)	P	-	P	180,050
Deferred tax liabilities		2,165,989		2,670,308		3,921		4,840,218
	P	466,721	P	(5,122,968)	P	(3,921)	P	(4,660,168)

The Company did not recognize any deferred tax assets as at March 31, 2019 and 2018 on the following items since it does not expect to have sufficient profit against which the deferred tax assets can be utilized.

		2019		2018
Allowance for impairment losses	**P**	**4,344,462**	P	4,344,462
Net Operating Loss Carry Over (NOLCO)		**1,464,533**		1,357,143
Unrealized loss on valuation of Non-current asset held for sale		**180,050**		-
Minimum Corporate Income Tax (MCIT)		**19,525**		19,822
	P	**6,008,570**	P	5,721,427

Components of the Company's unutilized NOLCO and MCIT and the year until which these are deductible from taxable income are as follows:

		Original amounts	
Year incurred	Expiry	NOLCO	MCIT
2019	2022	**P 1,105,737**	**P 5,378**
2018	2021	**516,289**	**7,624**
2017	2020	**3,259,749**	**6,523**
		P 4,881,775	**P 19,525**

NOLCO and MCIT amounting to P747,771 and P5,675, respectively, that were incurred in 2016, expired in 2019 without any benefit therefrom.

20. Earnings (Loss) per share

Earnings per share is computed by dividing the income for the year by the weighted average number of common shares as follows:

	2019	2018
Income (loss) for the year	**P (1,427,647)**	**P 20,413,302**
Weighted average numbers of shares outstanding during the year	**4,500,000,000**	**4,500,000,000**
	P (0.0003)	**P 0.0045**

As of March 31, 2019 and 2018, there were no potential ordinary shares with dilutive effect.

21. Other Matters

Non cash investing and financing activities
Non-cash investing and financing activities that were excluded in the preparation of the statements of cash flows are as follows:

- Investment in financial assets at fair value through other comprehensive income/available-for-sale was decreased by P31,000 during 2019 and increased by P784,300 during 2018 due to change in fair value of the investment during 2019 and 2018, respectively.
- The value of investment properties was increased by P17.05 million due to change in fair value of investment properties during 2018.
- During the year, certain stockholders infused unto the Company funds amounting P358,655,120. Subsequently, these funds were applied for payment of subscription discussed in Note 15. Accordingly, the reclassification was excluded in the preparation of Statement of Cash and payment was made as follows:

Conversion of advances from stockholders	P 270,802,970
Cash	81,065,790
	P 351,868,760

Operating Lease Commitments
Certain investment properties of the Companies are leased out to third parties under the operating lease agreement. The lease term is for the period of 1 year renewable at the option of both parties.

22. Supplementary Information Required under Revenue Regulation 15-2010

The Bureau of Internal Revenue (BIR) issued Revenue Regulation 15-2010 which requires additional tax information to be disclosed in the Notes to Financial Statements. The following information covering the fiscal year ended March 31, 2019 is presented in compliance thereto.

- The VAT output tax declared amounted to P30,342
- The VAT input tax claimed is broken down as follows:

Beginning of the year	P	141,680
Domestic purchases of goods and services during the year		76,800
Claimed against Output VAT		(30,342)
Total input claimed during the year	P	188,138

- Expanded withholding tax in the total amount of P13,400 was paid during the fiscal year.
- As of March 31, 2019, the Company has no pending tax cases within and outside the administration of the BIR.
- All other taxes, local and national, lodge under taxes and licenses account are as follows:

Local		
Community tax	P	588
Mayor's permit		8,686
Real property tax		12,241
National		
BIR Annual registration		500
PSE Annual Listing Fee		639,000
	P	661,015